



100 West Washington Street, Room 3200 | Hagerstown, MD 21740-4748 | P: 240.313.2330 | F: 240.313.2331  
[www.washco-md.net](http://www.washco-md.net)

**PUR-1413  
REQUEST FOR PROPOSALS  
REGARDING QUALIFICATIONS AND EXPERIENCE,  
TECHNICAL PROPOSALS AND PRICE PROPOSALS  
FOR INVESTMENT SERVICES**

The Board of County Commissioners of Washington County, Maryland is requesting Qualifications and Experience Submittals as well as Technical Proposals and Price Proposals from qualified firms interested in providing Investment Services for the "Defined Benefit Retirement Plan for the Employees of Washington County" and the "Length of Service Awards Program (LOSAP) for Washington County emergency services volunteers".

The Washington County Coordinating Committee will be evaluating submissions to this request and select those firms deemed most qualified. The Committee reserves the right to interview some or all prospective firms to discuss Qualifications and Experience as well as Technical Proposals and Price Proposals.

The format for submittals, information regarding the scope of work, and the criteria to be used by the Committee are available from the Washington County website: [www.washco-md.net](http://www.washco-md.net) by accessing the "Division & Departments/Purchasing Department/Open Bid Invitations" or inquiries regarding this request can be directed to Rick F. Curry, CPPO – Director of Purchasing, Washington County Purchasing Department, Washington County Administration Building, 100 West Washington Street, Third Floor, Room 3200, Hagerstown, Maryland, 21740, telephone 240-313-2330.

A Pre-Proposal Conference will be held on **Thursday, January 31, 2019 10:00 A.M. (EST)** in the Washington County Administration Building Second Floor Conference Room No. 2001, located at 100 West Washington Street, Hagerstown, Maryland. Attendance at this conference is not mandatory for those wishing to submit proposals, but attendance is strongly encouraged.

**NOTE: All Proposers must enter the Washington County Administration Complex through either the front door at the 100 West Washington Street entrance or through the rear entrance (w/blue canopy roof) which is handicap accessible and must use the elevator to access the Purchasing Department to submit their proposal and/or to attend the Pre-Proposal Conference. Alternate routes are controlled by a door access system. Washington County Government has announced new security protocols being implemented at the Washington County Administration Complex at 100 West Washington Street, Hagerstown. The new measures took effect Tuesday, February 14, 2017. The general public will be subject to wand search and will be required to remove any unauthorized items from the building prior to entry. Prohibited items include but are not limited to: Weapons of any type; Firearms, ammunition and explosive devices; Cutting instruments of any type - including knives, scissors, box cutters, work tools, knitting needles, or anything with a cutting edge, etc.; Pepper spray, mace or any other chemical defense sprays; and Illegal substances.**

One (1) original, eight (8) copies and eight (8) flash drives of submittals of Qualifications and Experience information from consulting firms enclosed in a sealed opaque envelope marked "**Q & E/ PUR-1413 – Investment Services**", one (1) original, eight (8) copies and eight (8) flash drives of the Technical Proposal enclosed in a separately sealed opaque envelope marked "**Technical Proposal / PUR-1413 - Investment Services**", and one original, eight (8) copies and eight (8) flash drives of the Price Proposal enclosed in a separately sealed opaque envelope marked "**Price Proposal / PUR-1413 – Investment Services**" are due into the office of Rick F. Curry, CPPO – Director of Purchasing, Washington County Purchasing Department, Washington County Administration Building, 100 West Washington Street, Third Floor, Room 3200, Hagerstown, Maryland, 21740, no later than **4:00 P.M., (EST), Thursday, February 28, 2019**. The Washington County Coordinating Committee will evaluate the submittals. Failure to comply with providing the required information for the Committee's review may result in disqualification of that firm.

Inquiries regarding this request should be directed to Rick F. Curry, CPPO – Director of Purchasing at 240-313-2330. The Board of County Commissioners of Washington County reserves the right to accept or reject any and/or all proposals and to waive formalities, informalities, and technicalities therein. The Board reserves the right to contact a Proposer for clarifications and may, at its sole discretion, allow a Proposer to correct any and all formalities, informalities and technicalities in the best interest of Washington County.

Washington County shall make positive efforts to utilize Disadvantaged Business Enterprises for its supplies and services and shall allow these sources the maximum feasible opportunity to compete for contracts. The County Commissioners of Washington County do not discriminate on the basis of race, color, national origin, sex, religion, age and disability in employment or the provision of services. Individuals requiring special accommodations are requested to contact 240-313-2330 Voice, TDD Dial 7-1-1 to make arrangements no later than seven (7) calendar days prior to the Pre-Proposal Conference.

The Board of County Commissioners of Washington County reserves the right to accept or reject the proposal of a firm who has previously failed to perform properly or complete on time contracts of a similar nature or a proposal of an organization which investigation shows is not in a position to perform the contract.

By Authority of:



Rick F. Curry, CPPO  
Director of Purchasing

BOARD OF COUNTY COMMISSIONERS  
OF WASHINGTON COUNTY, MARYLAND

**PUR-1413**  
**REQUEST FOR SUBMITTALS**  
**REGARDING QUALIFICATIONS AND EXPERIENCE,**  
**TECHNICAL PROPOSALS AND PRICE PROPOSALS**  
**FOR INVESTMENT SERVICES**

**January 23, 2019**

**I. INTRODUCTION**

Washington County will require the services of a firm to provide Investment Services for the "Defined Benefits Retirement Plan and Other Post-Employment Benefits (OPEB) for the Employees of Washington County;" and the "Length of Service Awards Program (LOSAP)" for the Washington County emergency services volunteers. The Board of County Commissioners of Washington County, Maryland (hereinafter called the County) requests that qualified firms submit proposals for Investment Services in accordance with the Scope of Services, all Terms and Conditions, all Federal, State and Local Laws, regulations, and ordinances, and the best practices of the trade.

**II. BACKGROUND**

The County withdrew from the Maryland State Retirement System in July, 1972 and currently maintains a defined benefit retirement program, which has been established by County ordinance. The plan covers all regular full-time employees (to include police and correctional officers) and elected officials. The County is the sole plan sponsor.

The County is proposing to engage an investment manager for all three of its retirement plans, which are described below:

The plan covers approximately 791 employees, 373 retirees and/or beneficiaries, and 64 vested non-active members. All employees must contribute to the plan as a condition of employment. Effective July 1, 2013, all new hires will contribute six (6%) percent of their gross salary on a pre-tax basis. Current employees have the option of continuing to contribute five and one-half (5½%) percent or increasing their contribution to six (6%) percent which will allow them to retire upon completion of 25 years of service, rather than the current 30 years. The plan pays six (6%) percent interest on employee contributions. Assets total approximately \$118 million at market values. Annual employer contributions are approximately \$12 million (28% of gross payroll), in addition to about \$2.1 million in employee contributions. Annual benefit payments from the pension plan are about \$8.2 million. The plan is composed of two (2) distinct groups, uniformed and non-uniformed services personnel. The uniformed services personnel benefit has a normal retirement eligibility of age 50 years or 25 years of credited service, whichever comes first. Full-time non-uniformed employees may either have normal retirement eligibility at the age of 60 or 25 years of credited service (if their contribution level is 6%). Those full-time, non-uniformed employees who continue to contribute 5 1/2 % will have a normal retirement eligibility at age 60 or 30 years of credited service. No lump sums are permitted under the plan except those under the DROP (Deferred Retirement Option Program.). The plan offers an ISRP, which allows employees eligible to retire to begin receiving retirement benefits while continuing to work for up to 5 years. A copy of the Summary Plan Description is available upon written request in accordance with Section XVII herein.

The Board of County Commissioners adopted guidelines for a Length of Service Awards Program (LOSAP). This defined benefit retirement plan for volunteer fire and rescue personnel is administered by the County's Health and Human Services Department. The LOSAP has approximately \$9.1 million in assets. Benefit payments for this program began in January 2007 and are about \$556,000 annually. Annual contributions are approximately \$455,000. Although there will be no co-mingling of funds, these assets will be invested in accordance with the County's Retirement Plan Investment Policy.

The Board of County Commissioners provides subsidies for health insurance benefits for retirees until they reach age 65 or obtain Medicare coverage. The annual contribution for these subsidies is approximately \$1.2 million. The OPEB has approximate dollar amount (market value) in total assets of \$23 million. Although there will be no co-mingling of funds, these assets will be invested in accordance with the County's Retirement Plan Investment Policy. Historically, no benefit payments have been made from the OPEB. Starting in FY2020, the County expects to make payments to reimburse the health care plan for medical benefits provided to retiree of between about \$1,000,000 and \$1,500,000 annually.

The City of Hagerstown and the Western Maryland Consortium are interested in contracting with the investment services provider that the County contracts with as a result of this request for proposal for investing the pension funds of their entities. However, the City of Hagerstown and the Western Maryland Consortium are not obligated to contract with the successful proposer.

### **III. PENSION PLAN INVESTMENT POLICY AND OBJECTIVES**

The County developed and adopted a formal Pension Plan Investment Policy and Pension Funding Policy. The Pension Plan Investment Policy includes the County's investment objectives, asset allocation summary, asset guidelines, investment manager responsibilities and expected performance standards. The Pension Funding Policy outlines guiding principles for decision makers and funding ratio objectives. A copy of the Pension Plan Investment Policy (Attachment A) and Pension Policy (Attachment B) are attached.

### **IV. SCOPE OF REQUIRED SERVICES**

- A. The qualified investment manager shall bid on all three (3) plans or none.
- B. The County is requesting proposals from qualified investment managers who will assume responsibility for directing approximately \$150 million of plan investments in accordance with established investment policy. Proposing investment managers must be fully and currently licensed by all appropriate Federal, State, and industry agencies to provide fee-based investment consulting services to the retirement plan. Specific responsibilities of the selected investment manager will include:
  - 1. Invest assets in accordance with the objectives, goals, and standards of performance, as defined in the Investment Policy.
  - 2. Exercise full discretionary authority as to all buy, hold and sell decisions for each security under management, subject to the guidelines as defined in the investment policy.
  - 3. Initially and as needed, prepare a written statement acknowledging acceptance of the performance standards as defined in the Investment Policy.

4. Prepare a written statement describing, in brief form, what specific investment program will be undertaken to achieve the goals and objectives set forth in the investment policy.
  5. The Investment Manager is expected to provide monthly:
    - a. Portfolio composition showing asset structure for each major class of security;
    - b. Positions, by individual security, showing both cost and market value (except co-mingled assets, show the unit position and unit value);
    - c. All income cash transactions, including sources and nature of all interest and dividends in sufficient, descriptive detail.
- C. Semiannual, all investment asset managers will meet either on-site or via telephonic meeting with the Retirement Committee and/or Board of County Commissioners as mutually agreed upon, the agenda of which will include, but not be restricted to:
1. A review and re-appraisal of the investment program;
  2. A commentary on investment results in light of the appropriate performance standards as stated in the investment policy;
  3. An annual audited financial report;
  4. A synopsis of the key investment decisions made by the manager, its underlying rationale, and how these decisions could impact on future investment results;
  5. The investment manager shall accept full responsibility as the fiduciary.
  6. Recommendations as to changes in the objectives, goals or standards of the investment policy based upon any material and sustained changes in the capital market;
  7. Notice of material changes in the managers outlook, policy and tactics; and
  8. Notice of material changes in the manager's ownership organization structure, financial condition, senior staffing and management.
  9. Notice of any regulatory action or finding against the firm in the past three (3) years. Is there any pending SRO action against your firm?
  10. Prior to subcontracting the services, the investment manager shall request the approval from the County.
  11. If the investment manager wishes to utilize a subcontractor, the County has the right to accept or reject the subcontractor.

## V. USE OF EXISTING DOCUMENTS

The County will cooperate to the fullest extent in making available to the Investment Manager for his/her use all documents pertinent to these services. Washington County makes no warranty as to the

accuracy of the existing information, nor will the County accept any responsibility for errors and omissions that may arise as a result of the Investment Manager having relied upon them.

## **VI. PERFORMANCE SCHEDULE**

### **A. Monthly:**

1. Monthly reports are due within fifteen (15) calendar days of the close of the calendar month.

### **B. Quarterly:**

1. Detailed quarterly reports are due within thirty (30) calendar days of the close of the quarter.
2. The quarterly meeting shall occur within sixty (60) calendar days of the close of the quarter.

## **VII. LIQUIDATED DAMAGES**

- A. Liquidated damages in the amount of One Hundred Fifty (\$150.00) Dollars per calendar day will be assessed against the Investment Manager for failure to comply with any deadline for delivery of information requested as a result of a contract for these services as mutually agreed upon.
- B. It is imperative that should circumstances beyond the Investment Manager's control adversely affect their ability to meet any established schedule that the Director of the Health & Human Services Department be contacted immediately to discuss the same. The schedule contained herein can only be revised per the written approval of the Director of Health & Human Services Department.

## **VIII. SUBMITTAL INSTRUCTIONS**

As a result of time constraints imposed on the project, the County will require interested firms to provide **Qualifications and Experience (Q&E)** submittals concurrently with Technical Proposals and Price Proposals, each to be presented in separately sealed opaque envelopes.

- A. As a minimum your **Qualifications and Experience (Q & E)** submittal shall include the following (**DO NOT INCLUDE ANY PRICE PROPOSAL FIGURES IN THE TECHNICAL PROPOSAL**):
  1. Proof of current management of at least one (1) billion dollars or more and have an independent investment record of five (5) years or more.
  2. Provide at least three (3) present government clients having at least seven hundred (700) employees for which your firm provides asset/investment management services for their defined benefit pension plans and the objectives, goals and standards of performance is similar to the County's as described herein. Include the name and telephone number of a contact person familiar with your firm's performance.

3. Provide with your proposal a 5-year investment performance summary (by year and asset classification) of an actual retirement plan (or plans) of similar size, performance objectives, and asset composition as Washington County for which you have provided investment services.
4. Statement addressing the adequacy of the proposed assigned personnel's time to devote to the County's requested services.
5. Organizational Overview -
  - a. Describe Broad Organization -- e.g., parent/sister firms, etc.
  - b. Describe where your investment management organization fits and its size in terms of people and assets under management.
6. Investment Management Process -
  - a. Equity Investments - "Core" Portfolio and any specialized segments you would propose
  - b. Fixed income investments
  - c. Asset Allocation Process for a balanced account
    - (1) What degree of discretion do you prefer to have in asset allocation?
    - (2) What benchmark allocation would you suggest?

B. As a minimum, your **Technical Proposal** shall include the following (**DO NOT INCLUDE ANY PRICE FIGURES IN THE TECHNICAL PROPOSAL**): Investment Manager shall respond to and reference each section and subsection. Also, state when your firm cannot accomplish the requested function. Investment Manager shall discuss each item in detail. Brief responses such as "meets requirements" or "exceeds requirements" will not be accepted. **Failure to discuss each item may deem the submittal non-responsive and may result in non-consideration of Investment Manager's services.**

1. Philosophy
  - a. Describe your ideal basis of working with a defined benefit plan sponsor.
  - b. Describe any features or capabilities of your firm that you believe are notable.
2. Accounting and Operational Services
  - a. When are dividends and interest credited to accounts?
  - b. When are principal transactions settled?
  - c. Does the receipt or delivery of securities impact the settlement of principal transactions?

- d. Describe your electronic transfer capabilities.
  - e. Describe your depository participation.
3. Data Processing Capabilities
- a. Describe your data processing capabilities and computer system design to include any recent systems updates.
  - b. Describe your backup systems and off-site storage system.
  - c. Describe your security systems.
  - d. What on-line systems are available to the County?
4. Reports
- a. **Describe a typical quarterly or annual report and attach an actual sanitized sample.**
  - b. Attach most recent market forecast/commentary.
5. Principals and Backgrounds
- a. Submit the names, titles, and resumes of the principal staff member(s) who will be responsible for the account during the performance of the contract. Clearly identify their project responsibilities.
  - b. Describe in depth the management team available to the "principal" staff member(s). Include an Organizational Chart of manpower, titles, qualifications, roles in contract performance and availability for telephone consultations and on-site meetings.
6. Any other information considered important to the conduct of this work.

C. The **Price Proposal** portion of the proposal shall include the following information:

- 1. For Contract Year Nos. 1 through 5, complete the attached Price Proposal form (Attachment G).
- 2. For Contract Year Nos. 2 and 5, provide a written statement of your proposal for setting fees for each option year.
- 3. Fee Methodology - provide a detailed explanation of how your fees, commissions and expenses are determined.
  - a. Show all fee offsets (payment for order flow, markups, etc.)
  - b. Show commission schedule and clearing charges
- 4. Only one (1) proposal per investment company is allowed.



- a. Duplicate proposals will result in disqualification
  - b. The professional qualifications and role played by the local Investment Manager or stockbroker (who will be the primary contact?)
5. Hourly rates for each classification of employee anticipated to be involved in this project. These hourly rates shall be used as the basis for compensation for extra work and shall include the Investment Manager's total costs for actual payroll, support, supervision, fringe benefits, overhead, travel, expenses, printing, profit and incidentals. The actual breakdown for these hourly rates is not required.
  6. The proposal must be accompanied by a fully executed Affidavit (Attachment C) executed by the Investment Manager, or in case the Investment Manager is a corporation, by a duly authorized representative of said corporation, on forms provided.
  7. The proposal must be accompanied by the Provisions for Other Agencies (Attachment D).
  8. NOTE: You are expected to disclose all fees, transaction costs, commissions, and expenses which can reasonably be expected to attend your proposed management of the investments of the pension trust. Proposals that hide or distort these costs may be disqualified. If such costs are discovered after the awarding of a contract, the County reserves the right to adjust your fees to keep investment related expenses within the range reasonably expected by the information disclosed on your price proposal.
  9. Conclusions, remarks and/or supplemental information pertinent to this request.

## **IX. INVESTMENT MANAGER SELECTION PROCESS**

- A. This solicitation is issued pursuant to the implementation of Section 5 of the Washington County Procurement Policy Manual relative to Requests for Proposals (RFP) - Professional/Technical Services Selection that can be viewed at: <http://www.washco-md.net/purchasing/pdf/ProcurementPolicy.pdf>. No proposal preparation expense will be paid for by the County relative to your response to this solicitation.
- B. The Washington County Coordinating Committee will evaluate responses to this request and select those firms judged to be most qualified. The Coordinating Committee shall be comprised of the County Administrator (Committee Chairman), County Purchasing Director, County Chief Financial Officer, County Health & Human Services Director, Human Resources Manager for City of Hagerstown, and Western Maryland Consortium Executive Director. The Director of Consulting Services for Bolton Investment Consulting Group Benefits and Insurance Services shall serve as the Facilitator for the Committee.
- C. It is the County's intent to open and review each firm's Q&E to determine qualifications. If the Coordinating Committee determines that a firm has satisfactory Q&E, the envelope containing the firm's Technical Proposal will then be opened. If the Coordinating Committee determines a firm's Technical Proposal to be acceptable, the envelope containing the firm's Price Proposal will then be opened.

- D. The Coordinating Committee reserves the right to schedule oral presentations, of those firms it deems most qualified, to take place within ten (10) business days following notification.
- E. This process shall be unbiased and impartial.
- F. Selection criteria to be used by the Committee are:
  - 1. Responsiveness to the scope of work and these instructions to firms;
  - 2. Past performance of the firm including timely completion of projects, compliance with scope of work performed within budgetary limitations, and user satisfaction;
  - 3. Specialized experience and technical competence in providing similar services or relevant services in the past five (5) years, including qualifications of staff members who will be involved in performing these services;
  - 4. Oral presentations, if required;
  - 5. Composition of the principles and staff assigned to the project, particularly the principal staff members and immediate staff, and their qualifications and experience with services such as those being proposed;
  - 6. Adequacy of the personnel of the firm to provide an adequate level of attention to the work;
  - 7. The firm's capacity to perform the work giving consideration to current workloads;
  - 8. Geographic location in relationship to Washington County, Maryland;
  - 9. The firm's familiarity with problems applicable to this type of service;
  - 10. References from previous clients, including size and scope of project, name and telephone number of contact person; and
  - 11. Price proposal.

## **X. INSURANCE REQUIRED**

- A. Prior to execution of a contract, the successful Investment Manager must show evidence of appropriate insurance as outlined in Washington County's Policy of *Insurance Requirements for Independent Contractors* (Attachment E).
- B. Professional Liability - Investment Managers must also show evidence of professional liability insurance coverage in the amount of one million (\$1,000,000) dollars, with a minimum coverage of one million (\$1,000,000) dollars per occurrence and one million (\$1,000,000) dollars aggregate and must include coverage for errors, omissions and negligent acts.

## **XI. COMPENSATION TO THE INVESTMENT MANAGER**

The Investment Manager shall be compensated annually for his/her services on a contract lump sum fee basis as indicated on the Form of Proposal. Fees are based on the market value of the assets under

management at the end of each calendar or fiscal quarter and are charged in arrears. The quarterly fee is calculated by applying the annual rate as specified on the Form of Proposal to the total market value of the assets and then taking one-quarter of the total as the quarterly fee.

## **XII. EXTRA WORK**

- A. The Investment Manager's Price Proposal shall include a quotation of hourly rates for each classification of employee to be used on this project. These hourly rates shall be used as the basis for compensation for extra work.
- B. In the event that extra work becomes necessary, the County will furnish a detailed scope of work for same to the Investment Manager and will request that the Investment Manager establish a "not to exceed" cost for the required services.
- C. Upon agreement of the "not to exceed" figure by both parties, the Investment Manager will proceed with the necessary work and will invoice the County for the actual man-hours charged to that item. The Investment Manager's invoice will be based on the hourly rates quoted in his/her Proposal. The total invoicing for the extra work will not exceed the previously agreed upon total cost without the prior written approval of the Board of County Commissioners of Washington County, Maryland.

## **XIII. PRE-PROPOSAL CONFERENCE**

A Pre-Proposal Conference will be held on **Thursday, January 31, 2019 at 10:00 A.M., (EST)** in the Washington County Administration Building Second Floor Conference Room 2001, 100 West Washington Street, Hagerstown, Maryland. Attendance at the Pre-Proposal Conference is not mandatory for those wishing to submit proposals, but attendance is strongly encouraged.

## **XIV. TERM OF CONTRACT**

- A. The contract will be for a one (1) year period, tentatively commencing April 1, 2019 with an option by the Board of County Commissioners to renew for up to four (4) additional consecutive one (1) year periods, subject to written notice given by the County Commissioners at least sixty (60) calendar days in advance of its expiration date. The County reserves the right to accept or reject any renewal year based on the fees contained in the Proposal Form for Contract Year Nos. 2 through 5. All other terms and conditions shall remain unchanged.
- B. If the Investment Manager fails to comply with the specifications, he/she will be given thirty (30) calendar days' notice to render satisfactory service. If at the expiration of such thirty (30) calendar days' notice, the unsatisfactory conditions have not been corrected, the County reserves the right to terminate the contract.

## **XV. TERMS AND CONDITIONS**

- A. The County reserves the right to reject any or all proposals or to award the contract to the next recommended Investment Manager if the successful Investment Manager does not execute a contract within fifteen (15) calendar days after notice of award of the contract.
- B. The County reserves the right to request clarification of information submitted and to request additional information of one or more applicants.

- C. Any proposal may be withdrawn up until the date and time set above for the opening of the proposals. Any proposals not so withdrawn shall constitute an irrevocable offer, for a period of ninety (90) calendar days, to sell to the County the services set forth in the above Scope of required services.
- D. The selected Investment Manager will be required to enter into a contract agreement (Attachment F) with the County. Any agreement or contract resulting from the acceptance of the proposal shall be made on forms approved by the County and shall contain, as a minimum, applicable provisions of this request for proposal. The County reserves the right to reject any agreement that does not conform to this request for proposal and any County requirements for agreements or contracts.
- E. The Investment Manager shall not assign any interest in the contract and shall not transfer any interest in the same without prior written consent of the Director of the Health & Human Services Department.
- F. No reports, information or data given to or prepared by the Investment Manager under the contract shall be made available to any individual or organization by the Investment Manager without the prior written approval of the Director of Health & Human Services Department.
- G. Investment Managers should give specific attention to the identification of those portions of their proposals that they deem to be confidential, proprietary information or trade secrets and provide any justification why such materials, upon request, should not be disclosed by the County under the Access to Public Records Act, State Government Article, Title 10, Subtitle, 6, Annotated Code of Maryland.
- H. The County shall not be liable for any costs incurred by the Investment Manager in regard to preparation of your proposal.
- I. The County reserves the right to not hold discussions after award of the contract.
- J. By submitting a proposal, the Investment Manager agrees that he is satisfied, as a result of his own investigations of the conditions set forth in this request, that he fully understands his obligations.
- K. Effective October 1, 1993, in compliance with Section 1-106(b)(3) of the Code of the Public Local Laws of Washington County, Maryland, "If a bidder has not paid all taxes owed to the County or a municipal corporation in the County, the County Commissioners may reject the bidder's bid."
- L. The Investment Manager shall abide by and comply with the true intent of this RFP and its Scope of Work and not take advantage of any unintentional error or omission, but shall fully complete every part as the true intent and meaning of the scope of services and attendant real costs, as decided by the County, and as described herein.
- M. Proposed costs are to be net thirty (30) calendar days; all discounts are to be deducted and reflected in net costs. All fees (markups, concessions, etc.) and non-monetary compensation are to be clearly detailed on the Proposal Form.

- N. Political Contribution Disclosure: The Bidder shall comply with Article 33, Sections 14-101 through 14-104 of the Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State, a county, or any incorporated municipality, or their agencies during a calendar year in which the person receives in the aggregate \$100,000 or more, shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Administrative Board of Election Laws: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality or their agencies, and shall cover the preceding two (2) calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.
- O. Registration with Maryland Department of Assessments and Taxation: Prior to contracting, private corporations must either be incorporated in the State of Maryland or registered with the Maryland Department of Assessments and Taxation as a foreign corporation and must be in good standing. Proof of such standing is required prior to the start of the contracting process and shall remain in good standing during the contract period. The website for the State Department of Assessments and Taxation is: : <http://dat.maryland.gov/Pages/sdatforms.aspx#BNE>, email address is [charterhelp@helpdat.state.md.us](mailto:charterhelp@helpdat.state.md.us) the phone numbers for the State Department of Assessments and taxation are: (410) 767-1340 or (888) 246-5941.
- P. Proposals must give the full name and address of proposer, and the person signing the proposal should indicate his/her title and/or authority to bind the firm in a contract.
- Q. All work shall be done in accordance with Washington County standards and those of any State or Federal agencies having jurisdiction.
- R. Proposals cannot be altered or amended after they are opened.
- S. The County reserves the right to reject any of the Investment Manager's personnel, including any replacement personnel, at any time without explanation or recourse.

## **XVI. PROPOSAL AND AWARD SCHEDULE**

- A. Proposals received prior to the deadline will be treated as confidential. Proposals received after the deadline will not be considered in the evaluation process and will be returned unopened.
- B. It is expected that the contract award will be made within thirty (30) calendar days after the receipt of proposals. The contract will be awarded to the Investment Manager whose proposal, conforming to this request, will be the most advantageous to the County.
- C. Technical Proposals and/or Price Proposals which accompany submittals that are determined to be unacceptable to the Coordinating Committee will be returned unopened to the Investment Manager.
- D. The approval or disapproval of Investment Managers will be determined by their response to this request and on past performance, stability of management, and firm resources. No assumptions

should be made on the part of the Investment Manager as to this Committee's prior knowledge of his abilities.

## **XVII. INTERPRETATIONS, DISCREPANCIES, OMISSIONS:**

It is the Investment Manager's responsibility to become familiar with all information provided in this package and any other information considered necessary to make a proposal. Should any Investment Manager find discrepancies, in, or omissions from the documents or be in doubt of their meaning, he should at once request in writing an interpretation from: Rick F. Curry, CPPO – Director of Purchasing, Washington County Purchasing Department, Washington County Administration Building, 100 West Washington Street, Third Floor, Room 3200, Hagerstown, Maryland 21740-4748, FAX: 240-313-2331. All necessary interpretations will be issued to all Investment Managers in the form of addenda to the specifications, and such addenda shall become part of the contract documents. **Requests received after 4:00 P.M. (EST), Wednesday, February 13, 2019 may not be considered.**

## **XVIII. SUBMITTALS**

If your firm is interested in performing the above services, please send one (1) original, eight (8) copies and eight (8) flash drives of submittals of Qualifications and Experience enclosed in a sealed opaque envelope marked "**Q & E - Investment Services - PUR-1413**", one (1) original, eight (8) copies and eight (8) flash drives of the Technical Proposal enclosed in a separately sealed opaque envelope marked "**Technical Proposal – Investment Services - PUR-1413**", and one (1) original, eight (8) copies and eight (8) flash drives of the Price Proposal enclosed in a separately sealed opaque envelope marked "**Price Proposal - –Investment Services - PUR-1413**". Submittals are due into the Office of Rick F. Curry, CPPO – Director of Purchasing, Washington County Purchasing Department, Washington County Administration Building, 100 West Washington Street, Third Floor, Room 3200, Hagerstown, Maryland, 21740, no later than **4:00 P.M., (EST), Thursday, February 28, 2019**. The Washington County Coordinating Committee will evaluate the submittals. Failure to comply with providing the above-required information for the Committee's review may result in disqualification of that firm. Inquiries should be directed to Rick F. Curry, CPPO, Director of Purchasing, at 240-313-2330.

The Board of County Commissioners of Washington County reserves the right to accept or reject any and/or all proposals, to waive technicalities and to take whatever action is in the best interest of Washington County. Inquiries regarding this request should be directed to Rick F. Curry, CPPO – Director of Purchasing, at 240-313-2330.

Sincerely,



Rick F. Curry, CPPO  
Director of Purchasing

WASHINGTON COUNTY  
COORDINATING COMMITTEE

RFC:llb

Attachments (7)

cc: Coordinating Committee Members

*Request for Submittals*

**Investment Services**

**PUR-1413**

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DIVISION OF  
BUDGET & FINANCE  
ACCOUNTING | PURCHASING | GRANT MANAGEMENT

**Section:** Pension Plan Investment Policy

**Purpose:** The purpose of this policy statement is to establish reasonable expectations, objectives and guidelines in the investment of the assets of the Washington County Pension Fund (“Pension Fund”). It creates a framework for a well-diversified asset mix to generate acceptable long-term returns at a level of risk suitable to the Pension Fund.

### Pension Plan Participants

The Pension Fund for purposes of this investment policy includes the Washington County Government Employee’s Pension Plan and the Washington County Length of Service Award Program (LOSAP).

### Pension Committee

The Pension Committee members are the County Administrator, the Director of Human Resources, and the Chief Financial Officer.

### Objectives and Performance Expectations

The Pension Fund has the following investment objectives:

- For cost stabilization the Investment manager is expected to achieve on average, a targeted total rate of return over a five-year market cycle exceeding the following, by the indicated percentages:
 

1.	Consumer Price Index (CPI)	4.50%
2.	Average Salary Inflation for County Employees	2.75%
- The return target of the Pension Fund is to achieve a long-term, rate of return of

- ❑ 7% - 8% annually. This target is based, in part, on a projected inflation rate of 2.0% - 2.5% and an average payout rate of approximately 5%.
- ❑ Projections will change from time-to-time based on changes in domestic and global macroeconomic conditions, that market performance varies, and that the target annual rate of return may not be achieved during some or all-time periods.
- ❑ The objectives may not be achieved in any one year and will be evaluated over five-year periods.
- ❑ Quarterly reviews of performance and allocations will be completed to determine if target weightings meet the current risk profile.

### General Investment Principals

- ❑ The assets are to be managed for total return, defined as dividend and interest income plus or minus capital gains and losses.
- ❑ Investment of the assets shall be diversified so as to minimize the risk of unacceptable losses.
- ❑ Investors are risk averse. The only acceptable risk is that which is adequately compensated by potential portfolio returns.
- ❑ Markets are relatively efficient. It is virtually impossible to know ahead of time the next direction of the market as a whole.
- ❑ The portfolio as a whole is more important than an individual security. The appropriate allocation of capital among asset classes (stocks, bonds, cash, etc.) will have far more influence on long-term portfolio results than the selection of individual securities. Investing for the long term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
- ❑ For every risk level, there exists an optimal combination of asset classes that will maximize returns. A diverse set of asset classes will be selected to help minimize risk. The proportionality of the mix of asset classes will determine the long-term risk and return characteristics of the portfolio as a whole.
- ❑ Portfolio risk can be decreased by increasing diversification of the portfolio and by lowering the level or correlation of market behavior among the asset classes



selected. (Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.)

Understanding that risk is present in all types of securities and investment styles, it is recognized that some risk is necessary to produce long-term investment results that are sufficient to meet the investment objectives. However, the investment manager is to make reasonable efforts to control risk and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.

The investment manager is expected to adhere to the investment styles for which they were hired. The manager will be evaluated regularly for adherence to investment discipline.

### Asset Class Targets

The table below summarizes the target asset class weightings, along with the allowable ranges for each asset class.

	Range	Target
Equities:		
Large-Cap U.S. Stocks	25-45%	35%
Small-Cap U.S. Stocks	0-15%	10%
International Stocks	5-20%	15%
REITS	0-10%	5%
Fixed Income:		
High Yield Bonds	0-15%	10%
Investment Grade Bonds	5-30%	23%
Money Market	0-10%	2%

### Evaluation Benchmarks

The table below summarizes the evaluation benchmarks that will be used for each asset class.

Asset Class	Evaluation Benchmark
Equities:	
Large-Cap U.S. Stocks	S&P 500
Small-Cap U.S. Stocks	Russell 2000
International Stocks	MSCI ACWI
REITS	NAREIT Equity
Alternative Investments:	
Hedge Funds	HFR (Blended)
Fixed Income:	
High Yield Bonds	Lehman High Yield Credit Bond Index
Investment Grade Bonds	Lehman Bros. Aggregate Bond Index
Money Market	SSB 3-month Treasury Bill
Additional Benchmarks	Performance of other similar pension funds

## General Guidelines

### Restricted/Prohibited Transactions \*

- Pledging, mortgaging, or hypothecating of any securities except for loans of securities that are fully collateralized.
- Purchases by an investment manager, of the securities, of its own firm, parent, or affiliates.
- Purchase or sale of futures or options for speculation.
- Purchase or sale of commodities, commodity contracts, or illiquid interest in real estate or mortgages.
- Common Stock in non-public companies
- Commercial paper not rated A-1/B-1, unless secured by cash
- Short sales
- Purchases of Letter or restricted Stock
- Leveraged Transactions

\*Excluding Hedge Funds when applicable

## Required Actions

The investment manager must promptly notify the Pension Committee in writing of any changes made within their firm to key personnel, ownership, or any other critical areas of the firm.

With regard to proxy voting, the investment manager is responsible for voting all proxies received after careful assessment of the issues involved.

## Diversification

The investment manager is responsible for achieving a level of diversification in his or her portfolio that is prudent and consistently applied. Concentrations in individual securities, industries and economic sectors should not be so high as to subject the overall portfolio to undue risk.

## Liquidity

When purchasing a security to place in a portfolio, it is expected that the investment manager will consider their aggregate holdings among all of their accounts to ensure that their total position in the security will not be so large as to inhibit rapid liquidation of the security

## Equity Manager Guidelines

The purpose of equity investments is to provide total return that will simultaneously provide a growing stream of income and capital appreciation that more than offset inflation, preserving the purchasing power of the Pension Fund. It is recognized that the pursuit of this objective entails the assumption of greater market variability and risk.

Portfolios should be diversified. The Pension Fund should be diversified to the extent that no individual security makes up more than 10% of total assets at the current market value. A concentration in one economic sector (e.g., healthcare) should not be so great as to exceed a 10% deviation to the relevant benchmark sector weighting measured as a

percentage of portfolio market value. Finally, the Pension Fund cannot at any time own more than 5% of the outstanding equity- class securities of any single issuer.

## Fixed Income Manager Guidelines

The purpose of the fixed income portion of the Pension Fund is to provide a hedge against protracted economic contraction, to reduce the overall volatility of the portfolio, and to produce current income.

- ❑ Holdings should consist of domestic (U.S.) fixed-income securities with adequate liquidity. The portfolio should maintain a weighted average portfolio quality rating of at least A. Securities that are issued or guaranteed by the U.S. Treasury or Government agencies and instrumentalities will be considered AAA.
- ❑ The maximum position in a single issuer's securities should not exceed 5% of the portfolio's assets at current market value. Holdings in securities issued or guaranteed by the U.S. Treasury or U.S. Government agencies and instrumentalities are exempted from this restriction. As with equity securities, the Pension Fund cannot at any time own more than 5% of the outstanding debt-class securities of any single issuer.
- ❑ The average duration of the portfolio should be +/- 20% the duration of the Lehman Bros. Aggregate – Bond Index.
- ❑ Foreign (non-U.S. domiciled) securities denominated in U.S. dollars are limited to 10% of the portfolio, measured at market value.
- ❑ Below investment grade securities (<BBB) are limited to 15% of the portfolio, measured at market value.

## Investment Performance Objectives

The Pension Fund will be reviewed on a quantitative basis in the form of quarterly reports to be provided by the investment manager. Qualitative factors will also be considered such as adherence to the investment manager's stated investment process, and to the policy guidelines stated in this document. The investment managers will be reviewed on a net of fees basis.

### Domestic Equity Manager(s)

Over a rolling 5-year period, the annualized total return of this investment manager should exceed the annualized total return of the appropriate index

(e.g., S&P 500, Russell 2000, etc.). The investment manager should rank in the top 50<sup>th</sup> percentile of a universe of similar managers, also measured over a 5-year rolling period.

#### Fixed Income Manager(s)

Over a 5-year period, the annualized total return of the investment manager should exceed the annualized total return of the Lehman Brothers Aggregate Bond Index. The investment manager should rank in the top 50<sup>th</sup> percentile of a universe.

### Performance Monitoring

The investment manager, the pension committee, and its advisor shall monitor the overall performance of the Pension Fund to ensure that it is meeting objectives. The investment manager will rebalance the portfolio allocations back to the policy targets at least annually, following the end of the calendar year. In addition, the investment manager and the pension committee will monitor the portfolio allocations on a quarterly basis to determine whether any rebalancing actions are necessary to bring asset class allocations back within the prescribed policy ranges. The County's advisor, on an annual basis, will measure the County's pension fund's performances against the performances of other similar pension funds.

#### Individual Manager Monitoring:

Maintaining a short-term and long-term perspective, the pension committee and its advisor will evaluate, on an annual basis, whether the investment manager has:

- Performed satisfactorily when compared with the specific objectives for the portfolio.
- Produced results that compare favorably to other investment managers with similar portfolios.
- Adhered to the relevant policies and objectives.
- Among the events that will be examined closely in its review of the investment manager are:

1. Poor performance relative to objectives: A manager that posts two consecutive years in which relative performance is below the 50<sup>th</sup> percentile of other similar managers, and performance is below the relevant benchmark will be evaluated for replacement.
2. A change in the portfolio manager assigned to the Pension Fund.
3. The departure of one or more key investment professionals.
4. Violation of an investment guideline.
5. A change in the ownership or control of the investment management organization.

## Reporting

The investment manager shall provide the Pension Committee with a report each month that lists all assets held in the portfolio, values for each asset and all transactions affecting assets within the portfolio, including additions and withdrawals.

The pension committee shall receive, no less frequently than on a quarterly basis and within 30 days within the end of each such quarter, the following management reports from the investment manager:

- Performance results over the last quarter and selected time periods
- Performance results of comparative benchmarks for the same periods
- Performance shall be reported on a time-weighted rate of return basis
- End of quarter status regarding asset allocation— Current versus Investment Policy

## Investment Manager

Responsibilities:

Manage the assets in accordance with the policy guidelines and objectives expressed in this document, or in a separate written agreement.

All Investments managers must be fully and currently licensed by all appropriated Federal, State, industry agencies.

Submit a written request to the Pension committee whenever the investment manager feels that the *Investment Policy Statement* should be changed.

Vote proxies received after careful assessment of the issues involved.

Promptly inform the Pension committee regarding all significant matters pertaining to the investment management of the assets. For example, significant changes in the ownership, affiliation, organizational structure, financial condition, and staffing of the firm.

Meet with the Pension committee on a regular basis (as necessary).

## Glossary

Inflation	The overall general upward price movement of goods and services in an economy, usually as measured by the Consumer Price Index and the Producer Price Index.
Gross Domestic Product	The total market value of all final goods and services produced in a country in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.
Pension Plan	A qualified retirement plan set up by a corporation, labor union, government, or other organization for its employees.
Portfolio	A collection of investments all owned by the same individual or organization. These investments often include stocks, which are investments in individual businesses; bonds, which are investments in debt that are designed to earn interest; and mutual funds, which are essentially pools of money from many investors that are invested by professionals or according to indices.
Rate of Return	The increase in value of an investment, expressed as a percentage per year
Asset Class	A type of investment, such as stocks, bonds, real estate, or cash.
Capital Market	A market where debt or equity securities are traded.
Projections	Quantitative estimate of future economic or financial performance.
Benchmarks	A standard, used for comparison.
Equities	An instrument that signifies an ownership position, or equity, in a corporation, and represents a claim on its proportionate share in the corporation's assets and profits.
Fixed Income	A security that pays a specific interest rate, such as a bond, money market instrument, or preferred stock.
Diversification	A portfolio strategy designed to reduce exposure to risk by combining a variety of investments, such as stocks, bonds, and real estate, which are unlikely to all move in the same direction
Liquidity	The ability of an asset to be converted into cash quickly and without any price discount.
Capital appreciation	An increase in the market price of an asset.
Market Value	A security's last reported sale price (if on an exchange) or its current bid and ask prices (if over-the-counter); i.e. the price as determined dynamically by buyers and sellers in an open market.







DIVISION OF  
BUDGET & FINANCE

ACCOUNTING | PURCHASING | GRANT MANAGEMENT

**Section:** Pension Funding Policy

**Purpose:** The purpose of this policy is to outline the principles that will guide the County Commissioners of Washington County (the County) who sponsors the County Commissioners of Washington County, Maryland Employees Retirement Plan, Volunteer Length of Service Award Program, and Other Post-Employment Benefits (the Plan) in making funding decisions about the Plan in order to accumulate the funds needed to fulfill the Plan's obligations to the participants and beneficiaries.

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## Background

The Plan is a single employer defined benefit plan. It is funded by the County as well as plan participants and the County's contribution rate can fluctuate with the financial position of the Plan.

The plan features are as follows:

- Benefits from the Plan are generally payable at age 60 with 30 years of service (25 years for those contributing 6.0% of pay) on an unreduced basis for civilian employees. The full retirement date for uniformed participants is age 50 with 25 years of service.
- Plan benefits are calculated as 2.00% of a participant's average annual compensation multiplied by the participant's years of service.
- A participant's average annual compensation is the highest average of the participant's compensation over three consecutive plan years.
- Reduced benefits are payable if a civilian participant has 25 years of service and at 20 years of service for a uniformed employee.

The Plan's investment policy is documented and part of the overall governance of the Plan.

## Principles Underlying Funding Policy

Given the features of the Plan described in the above Background, the County has

developed this policy, building on the following principles:

1. Funding decisions are made in the interest of securing the accrued benefits of plan participants;
2. The contribution pattern should be rational, predictable and protective of the County tax payers;
3. Funding should aim at building and maintaining a reasonable cushion against future adverse deviations;
4. All Plan funding decisions should be made bearing these principles in mind.

### **Objectives**

1. Achieve a funding ratio (assets divided by the actuarial accrued liability) of 100% by 2037.
2. Establish a contribution pattern that is consistent with sound actuarial principles and is consistent with the County's overall budgetary needs.

### **Actuarial Cost Method**

The Projected Unit Credit actuarial cost method will be utilized. Underlying assumptions will be set by the County based on consultation with the designated Actuary for the plan.

### **Annual Contribution Determination**

The annual contribution will be the sum of (a) and (b):

- a. The annual normal cost of the plan determined under the Projected Unit Credit actuarial cost method.
- b. The amount, as a level percent of projected payroll, intended to reach 100% funding by 2037.

The County contribution amount above will be converted to a percent of payroll contribution amount based on projected County payrolls. The County will make that percent of pay contribution along with the employee contributions.

### **Guidelines in Setting Contribution Rates of the Plan**

#### *Significant deterioration of financial position*

If the financial position of the Plan has deteriorated significantly since completion of the prior actuarial valuation, the County may consider increasing the contribution

amount. For this purpose, a significant deterioration of the financial position of the Plan would be characterized by an anticipated depletion of the trust assets at the current contribution level. Plan assets will deplete if a projection of trust experience results in zero assets prior to the payment of all benefits promised to current participants.

A depletion of plan assets occurs if based on a projection of the current plan's assets, there will be no assets remaining prior to payment of all benefits promised to current participants.

#### Immaterial change of financial position

If the estimated financial position of the Plan has not changed significantly since the most recent actuarial valuation, the County may continue to make the same dollar amount or percent of pay contribution made in the prior year.

#### Significant improvement of financial position

If the financial position of the Plan has improved significantly since the completion of the prior actuarial valuation, the County may consider decreasing the contribution rate if the funding target exceeds 100% or is projected to exceed 100% by end of the fiscal year.

### **Compliance**

The County will comply with all applicable laws and regulatory requirements. An actuarial valuation for funding purposes will be prepared annually.

The contribution to the Plan will be based on the most recent annual actuarial valuation report prepared by the Plan Actuary which is in conformance with federal, state and accounting regulatory requirements as of the start of the fiscal year.

### **Annual Review**

As indicated above, the Plan Actuary shall complete an actuarial valuation report annually for the purposes of determining suggested contribution requirements. Such valuation report shall be performed in accordance with generally accepted actuarial principles.

### **Policy Amendment**

This policy shall serve the County as a guideline only. It shall not prevent the County from making decisions that differ from this policy when the County considers this appropriate.

This policy shall be periodically reviewed by the County. It may be amended from time to time as deemed appropriate by the County.



WASHINGTON COUNTY, MARYLAND
PURCHASING DEPARTMENT
AFFIDAVIT

(Must be completed, signed, and submitted with the proposal.)

Contractor \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

I, \_\_\_\_\_, the undersigned, \_\_\_\_\_ of the above named
(Print Signer's Name) (Print Office Held)

Contractor does declare and affirm this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, that I hold the aforementioned office in the above
named Contractor and I affirm the following:
(Month) (Year)

AFFIDAVIT I

The Contractor, his Agent, servants and/or employees, have not in any way colluded with anyone for and on behalf of the Contractor or themselves,
to obtain information that would give the Contractor an unfair advantage over others, nor have they colluded with anyone for and on behalf of the
Contractor, or themselves, to gain any favoritism in the award of the contract herein.

AFFIDAVIT II

No officer or employee of Washington County, whether elected or appointed, has in any manner whatsoever, any interest in or has received prior
hereto or will receive subsequent hereto any benefit, monetary or material, or consideration from the profits or emoluments of this contract, job, work
or service for the County, and that no officer or employee has accepted or received or will receive in the future a service or thing of value, directly or
indirectly, upon more favorable terms than those granted to the public generally, nor has any such officer or employee of the County received or will
receive, directly or indirectly, any part of any fee, commission or other compensation paid or payable to the County in connection with this contract,
job, work, or service for the County, excepting, however, the receipt of dividends on corporation stock.

AFFIDAVIT III

Neither I, nor the Contractor, nor any officer, director, or partners, or any of its employees who are directly involved in obtaining contracts with
Washington County have been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state or of the federal
government or has engaged in conduct since July 1, 1977, which would constitute bribery, attempted bribery, or conspiracy to bribe under the laws of
any state or the federal government.

AFFIDAVIT IV

Neither I, nor the Contractor, nor any of our agents, partners, or employees who are directly involved in obtaining contracts with Washington County
have been convicted within the past twelve (12) months of discrimination against any employee or applicant for employment, nor have we engaged
in unlawful employment practices as set forth in Section 16 of Article 49B of the Annotated Code of Maryland or, of Sections 703 and 704 of Title
VII of the Civil Rights Act of 1964.

I do solemnly declare and affirm under the penalties of perjury that the contents of the foregoing affidavits are true and correct to the best of my
knowledge, information and belief.

DATE

SIGNATURE

COMPANY NAME PRINTED

PRINTED NAME

Rev. 2/29/08

TITLE

**PUR-1413**  
**BOARD OF COUNTY COMMISSIONERS**  
**OF WASHINGTON COUNTY, MARYLAND**  
**WASHINGTON COUNTY PURCHASING DEPARTMENT**

**PROVISIONS FOR OTHER AGENCIES**

All items, conditions and pricing shall be made available to the entities listed below if authorized by the Bidder. Authorization is to be indicated by a check mark in the appropriate column. A negative reply will not adversely affect consideration of the bid. Any jurisdiction using this contract shall place its own order with the successful Bidder(s). There is no obligation on the lead jurisdiction for agreements made with other jurisdictions.

<b><u>YES</u></b>	<b><u>NO</u></b>	<b><u>JURISDICTION</u></b>
_____	_____	WASHINGTON COUNTY COMMISSIONERS
_____	_____	BOARD OF EDUCATION OF WASHINGTON COUNTY
_____	_____	WASHINGTON COUNTY HEALTH DEPARTMENT
_____	_____	OTHER WASHINGTON COUNTY MUNICIPALITIES
_____	_____	WESTERN MARYLAND CONSORTIUM
_____	_____	HAGERSTOWN COMMUNITY COLLEGE
_____	_____	CITY OF HAGERSTOWN
_____	_____	FREDERICK COUNTY COMMISSIONERS
_____	_____	OTHER FREDERICK COUNTY MUNICIPALITIES
_____	_____	ALLEGANY COUNTY COMMISSIONERS
_____	_____	BOARD OF EDUCATION OF ALLEGANY COUNTY
_____	_____	OTHER ALLEGANY COUNTY MUNICIPALITIES
_____	_____	ALLEGANY COMMUNITY COLLEGE
_____	_____	CITY OF FROSTBURG
_____	_____	CITY OF CUMBERLAND
_____	_____	GARRETT COUNTY - GENERAL SERVICES
_____	_____	BOARD OF EDUCATION OF GARRETT COUNTY
_____	_____	OTHER GARRETT COUNTY MUNICIPALITIES
_____	_____	GARRETT COUNTY COMMUNITY COLLEGE

**POLICY TITLE:** Insurance Requirements for Independent Contractors

**ADOPTION DATE:** August 29, 1989

**EFFECTIVE DATE:** September 1, 1989

**FILING INSTRUCTIONS:**

**I. PURPOSE**

To protect Washington County against liability, loss or expense due to damaged property, injury to or death of any person or persons and for care and loss of services arising in any way, out of, or in connection with or resulting from the work or service performed on behalf of Washington County.

**II. ACTION**

The following should be inserted in all Independent Contractor Contracts:

"The Contractor shall procure and maintain at his sole expense and until final acceptance of the work by the County, insurance as hereinafter enumerated in policies written by insurance companies admitted in the State of Maryland, have A.M. Best rating of A- or better or its equivalent, and acceptable to the County."

1. **Workers Compensation:** The Contractor agrees to comply with Workers Compensation laws of the State of Maryland and to maintain a Workers Compensation and Employers Liability Policy.

Minimum Limits Required:

Workers Compensation -	Statutory
Employers Liability -	\$100,000 (Each Accident)
	\$500,000 (Disease - Policy Limit)
	\$100,000 (Disease - Each Employee)

2. **Comprehensive General Liability Insurance:** The Contractor shall provide Comprehensive General Liability including Products and Completed Operations.

Minimum Limits Required:

\$1,000,000 combined single limit for Bodily Injury and Property Damage.

Such insurance shall protect the County, its agents, elected and appointed officials, commission members and employees, and name Washington County on the policy as additional insured against liability, loss or expense due to damaged property (including loss of use), injury to or death of any person or persons and for care and loss of services arising in any way, out of, or in connection with or resulting from the work of service performed on behalf of Washington County.



2. **Comprehensive General Liability Insurance** (continued)

The Contractor is ultimately responsible that Subcontractors, if subcontracting is authorized, procure and maintain at their sole expense and until final acceptance of the work by the County, insurance as hereinafter enumerated in policies written by insurance companies admitted in the State of Maryland, have A.M. Best rating of A- or better or its equivalent, and acceptable to the County.

3. **Business Automobile Liability:** The Contractor shall provide Business Auto Liability including coverage for all leased, owned, non-owned and hired vehicles.

Minimum Limits Required:

\$1,000,000 combined single limit for Bodily Injury or Property Damage.

**Certificate(s) of Insurance:** The Contractor shall provide certificates of insurance requiring a 30 day notice of cancellation to the Insurance Department, Board of County Commissioners of Washington County prior to the start of the applicable project.

Approval of the insurance by the County shall not in any way relieve or decrease the liability of the Contractor. It is expressly understood that the County does not in any way represent that the specified limits of liability or coverage or policy forms are sufficient or adequate to protect the interest or liabilities of the Contractor.

All responsibility for payment of any sums resulting from any deductible provisions, corridor, or self-insured retention conditions of the policy or policies shall remain with the Contractor.

**General Indemnity:** The Contractor shall indemnify, defend and save harmless the Board of County Commissioners of Washington County, its appointed or elected officials, commission members, employees and agents for any and all suits, legal actions, administrative proceedings, claims, demands, damages, liabilities, interest, attorneys fees, costs and expenses of whatsoever kind of nature, whether arising before or after final acceptance and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part by reason of any act, error or omission, fault or negligence whether active or passive by the Contractor, or any one acting under its direction, control or on its behalf in connection with or incident to its performance of the Contract.

Revision Date: August 27, 1991  
Effective Date: August 27, 1991  
Revision Date: March 4, 1997  
Effective Date: March 4, 1997

**INVESTMENT SERVICES CONSULTANT CONTRACT**

This Investment Services Consultant Contract ( the “Contract”) is made this \_\_\_\_ day of \_\_\_\_\_, 2019, between the **BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, MARYLAND**, a body corporate and politic and a subdivision of the State of Maryland, 100 W. Washington Street, Hagerstown, Maryland 21740-4727, (the “Board” or the “County”), and \_\_\_\_\_, a \_\_\_\_\_ corporation, \_\_\_\_\_, (“Consultant” or “Investment Manager”).

**RECITALS**

\_\_\_\_\_ is in the business of providing investment services and has been solicited by the Board, in accordance with the Request for Proposals Regarding Qualifications and Experience, Technical Proposals and Price Proposals for Investment Services (PUR-1413), dated January 23, 2019, together with any addenda thereto, (the “RFP”), to provide investment and related services for the “Defined Benefits Retirement Plan for the Employees of Washington County” and the “Length of Service Awards Program,” the defined benefit retirement plan for volunteer fire and rescue personnel (the “Plans”).

The Board, pursuant to its RFP, is acting on the proposal submitted by \_\_\_\_\_, dated February \_\_, 2019, to the Washington County Coordinating Committee (the “Proposal”), subject to the provisions of this Contract which supersede the Proposal to the extent of any conflict herewith.

The Board is the owner or custodian of, or otherwise has investment authority with respect to, the securities, cash, and other property (collectively the “Funds”) held in the account or accounts on behalf of the Board (the “Accounts”) for the “Defined Benefits Retirement Plan for the Employees of Washington County” and the “Length of Service Awards Program.”

The Board desires to appoint \_\_\_\_\_ to serve as Investment Manager with regard to the Accounts.

\_\_\_\_\_ is a “registered investment advisor” under the Investment Advisors Act of 1940 and is hereby qualified to provide such service.

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements contained herein, the parties agree as follows:

I. **NATURE OF WORK.** Consultant shall perform investment services on behalf of the Board for the Plans and with respect to all matters relating to and contained in the RFP, the contents of which are incorporated herein by reference and made a part hereof. Should the terms of this Contract and the RFP differ in any respect from the Proposal, the provisions of this Contract and the RFP shall govern.

The County shall have sole and absolute discretion to determine the need to continue the services specified in this Contract. The Consultant shall not perform services, the cost of which would exceed the asset management fee set forth in this Contract and any addenda hereto. If, at any time, and in its sole and absolute discretion, the County determines that the services provided under and pursuant to this Contract

by any of the Consultant's employees are not satisfactory, it shall so notify Consultant in writing and Consultant shall immediately withdraw such individual and, at the County's option, furnish an individual who meets the qualifications required.

## II. DUTIES AND POWERS OF INVESTMENT MANAGER

### A. Duties

1. Subject to any restrictions contained in County policy for investment of County funds, which are incorporated herein by reference, \_\_\_\_\_ shall from time to time invest and reinvest the Funds and keep the same invested, in its sole discretion, without distinction between principal and income, in any property, real, personal or mixed, or share or part thereof, or part interest thereof, or part interest therein, wherever situate, and whether or not productive of income, including but not limited to: capital, common and preferred stock, mutual funds, personal, corporate and governmental obligations, secured or unsecured within the parameters of the Investment Policy Statement (“IPS”).

2. \_\_\_\_\_ shall discharge its duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and by diversifying the investments under management so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

3. In the performance of its duties hereunder, \_\_\_\_\_ shall act in accordance with the investment guidelines which the Board may, from time to time, furnish to \_\_\_\_\_ in writing, subject only to such limitations as the Board may impose, or as may otherwise be imposed by law.

4. \_\_\_\_\_ shall carry out its duties under this Contract in writing, or orally with confirmation in writing, directed to the Board as to investments to be made with the Funds.

B. Powers. The Board hereby appoints \_\_\_\_\_ its agent and attorney-in-fact with respect to, and hereby confers, and \_\_\_\_\_ hereby acknowledges, the following powers in the performance of its duties as Investment Manager under this Contract:

1. To direct the purchase or subscription for any securities or property, within the boundaries and parameters of the IPS;

2. To direct the sale, exchange, conveyance, transfer or other disposition of any stocks, bonds or other securities held in the Accounts or comprising the Funds, by private contract or at a public auction, with or without advertising;

3. To vote any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities,

and to delegate discretionary powers, and to pay any assessments or charges in connection therewith, and generally to exercise any of the powers of an owner with respect to stocks, bonds, or other securities of the Funds; provided, that all such powers shall be exercised by \_\_\_\_\_ in its sole and absolute discretion subject only to its general fiduciary obligations to the Board as set forth in Section II.A.2. above;

4. To keep such portions of the Funds in cash or cash balances as \_\_\_\_\_ may, from time to time, deem advisable, within the boundaries and parameters of the IPS;

5. To make, execute, acknowledge and deliver any and all documents that may be necessary to carry out the powers of \_\_\_\_\_ as Investment Manager;

6. To carry out the duties set forth in Subsection II.A. of this Contract;

7. To direct the placement of brokerage orders with respect to assets comprising the Funds with such broker or brokers as \_\_\_\_\_ shall select;

8. Generally, to do all such acts and to execute and deliver all such instruments as in the judgment of \_\_\_\_\_ may be necessary or desirable to carry out any powers or authority of \_\_\_\_\_ under this Contract, without advertisement and without order of court, and without having to post bond or make any returns or report of its doings to any court.

C. Investment Decisions. \_\_\_\_\_ shall have full power to make and act upon all investment decisions with respect to the Funds, in its sole discretion, subject only to the terms of this Contract, as amended from time to time.

D. Compensation. The compensation of \_\_\_\_\_ as Investment Manager shall be based on the following fee schedule and hourly rates for additional work not included in the Scope of Required Services as referenced in the RFP:

Assets	Basis Points	Cumulative Fee
	%	\$
	%	\$
	%	\$

The above fee schedule covers all client expenses and charges. However, hourly rates for additional services not included in the Scope of Required Services as referenced in the RFP would be as follows:

_____	\$____/hr
_____	\$____/hr
_____	\$____/hr
_____	\$____/hr

Fees are based on the market value of the assets under management at the end of each calendar or fiscal quarter and are charged in arrears. The quarterly fee is calculated by applying the annual rate above to the total market value of the assets and then taking one-quarter of the total as the quarterly fee. The sole

compensation to \_\_\_\_\_ under this Contract shall be as described in this paragraph, unless separately contracted for in a separate writing.

III. **TRANSACTION PROCEDURES.** All transactions will be consummated by payment to or delivery by, the Board, or such other party as the Board may designate in writing (the "Custodian"), of all cash and securities due to or from the Accounts. \_\_\_\_\_ shall not act as custodian for the Accounts, but may issue such instructions to the Custodian as may be appropriate in connection with the settlement of transactions initiated by \_\_\_\_\_ pursuant to the terms of this Contract. Instructions of \_\_\_\_\_ to the Board or the Custodian shall be made in writing sent by first-class mail or, at the option of \_\_\_\_\_, electronically or orally and confirmed in writing as soon as practical thereafter, and \_\_\_\_\_ shall instruct all brokers and dealers executing orders on behalf of the Accounts to forward to the Board or the Custodian copies of all confirmations promptly after execution of transactions. \_\_\_\_\_ shall not be responsible for any loss incurred by reason of any act or omission of any broker or dealer or the Custodian, provided, however, that \_\_\_\_\_ will make all reasonable efforts to require that brokers and dealers selected by \_\_\_\_\_ perform their obligations with respect to the Accounts. The monthly account statement will suffice as timely notification of normal trading activity.

IV. **ALLOCATION OF BROKERAGE.** Where \_\_\_\_\_ places orders for the execution of portfolio transactions for the Accounts, \_\_\_\_\_ may allocate such transactions to such brokers and dealers for execution on such markets, at such prices and at such commission rates as in the good faith judgment of \_\_\_\_\_ will be in the best interest of the Accounts, taking into consideration in the selection of such brokers and dealers not only the available prices and rates of brokerage commissions, but also other relevant factors (such as, without limitation, execution capabilities, research and other services provided by such brokers or dealers which are expected to enhance the general portfolio management capabilities of \_\_\_\_\_, and the value of an ongoing relationship of \_\_\_\_\_ with such brokers and dealers) without having to demonstrate that such factors are of a direct benefit to the Accounts.

V. **SERVICES TO OTHER CLIENTS OF \_\_\_\_\_.** \_\_\_\_\_ may perform investment advisory services for various clients other than the Board and for accounts other than the Accounts. \_\_\_\_\_ may give advice and take action with respect to other clients that differs from advice given or action taken with respect to the Funds, so long as \_\_\_\_\_ attempts in good faith reasonably to allocate investment opportunities to the Board and the Accounts over a period of time on a fair and equitable basis compared to investment opportunities extended to other clients. \_\_\_\_\_ is not obligated to initiate the purchase or sale for the Board, or the Accounts, of any security that \_\_\_\_\_, its principals, affiliates or employees may purchase or sell for its or their own accounts or for the account of any other client, if in the reasonable opinion of \_\_\_\_\_, such transaction or investment appears unsuitable or undesirable for the Board or the Accounts.

VI. **CONFIDENTIAL RELATIONSHIP.** Except as otherwise provided in this Section, all information and advice furnished by the Board or \_\_\_\_\_ to the other, with respect to the Accounts, the Funds or other matters pertaining to this Contract, shall be treated as

confidential and shall not be disclosed to third parties except as required by law or as necessary to carry out responsibilities set forth in this Contract.

VII. **AUTHORITY AND STATUS OF \_\_\_\_\_ AS INVESTMENT MANAGER.**

\_\_\_\_\_ represents and warrants that: (i) it is a registered investment adviser under the Investment Advisors Act of 1940, (ii) it has full power and authority to enter into this Contract, and (iii) this Contract has been duly authorized and when executed and delivered will be binding upon \_\_\_\_\_. \_\_\_\_\_ acknowledges that as Investment Manager it is a fiduciary with respect to the Funds; provided, however, that \_\_\_\_\_ shall not be considered a fiduciary to the extent that it does not have investment discretion under this Contract as a result of the restrictions, if any, contained in County policy for investment of County funds.

VIII. **AUTHORITY OF THE BOARD.** The Board represents and warrants that: (i) the Board has full power and authority to enter into this Contract, and (ii) this Contract has been duly authorized and when executed and delivered will be binding upon the Board, the Accounts and the Funds.

IX. **DURATION OF CONTRACT.** This Contract will be for a one (1) year period, commencing on the date of execution of this Contract, with an option by the Board to renew for up to four (4) consecutive one (1) year periods, subject to written notice given by the Board at least sixty (60) calendar days in advance of its expiration date. If the Consultant desires to renew the contract, it must submit a letter of intent to the Board at least ninety (90) calendar days prior to the expiration of this Contract. The Board reserves the right to accept or reject any request for renewal based on the fees contained herein.

X. **TERMINATION; PROHIBITION AGAINST ASSIGNMENT.**

A. A party to this Contract may terminate this Contract at any time upon notice by registered or certified mail to the other parties in accordance with Section XI hereof, which notice shall be given at least thirty (30) days prior to the effective date of termination. Upon receiving or giving notice of termination, and (if termination occurs by notice from the Board) upon receipt by \_\_\_\_\_ of all fees payable to \_\_\_\_\_ pursuant to this Contract which are accrued but unpaid as of the date of such termination, \_\_\_\_\_ shall, if so directed by the Board, make a full accounting to the Board with respect to all assets managed by it since its appointment as Investment Manager.

B. No assignment (as that term is defined in the Investment Advisors Act of 1940) of this Contract shall be made by either party without prior written consent of the other.

XI. **NOTICES.** All notices, requests and demands after the date of this Contract, and any other communications hereunder shall be deemed to have been duly given if in writing and if delivered or sent by certified or registered mail, return receipt requested, to the appropriate address indicated below or such other address as may be given in a notice sent to the other parties hereto in accordance with this Section XI. Such communication shall be effectively delivered or received on the date on which delivered or on the date acknowledged to have been received in return receipt.

To the Board: Rob Slocum, County Administrator (or successor)  
Board of County Commissioners of  
Washington County, Maryland  
100 W. Washington Street, Room 1101  
Hagerstown, MD 21740-4727

To \_\_\_\_\_:

XII. **GOVERNING LAW.** The validity, construction and operation of this Contract shall be governed by the laws of the State of Maryland, except where preempted by the provisions of Federal law.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed under seal by their officers or agents thereunto duly authorized as of the day and year first above written.

ATTEST: BOARD OF COUNTY COMMISSIONERS  
OF WASHINGTON COUNTY, MARYLAND

\_\_\_\_\_  
Krista Hart, Clerk

BY: \_\_\_\_\_  
Jeffrey A. Cline, President

ATTEST: \_\_\_\_\_

\_\_\_\_\_  
BY: \_\_\_\_\_

STATE OF MARYLAND, WASHINGTON COUNTY, to-wit:

I HEREBY CERTIFY, that on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Jeffrey A. Cline, who acknowledged himself to be the President of the Board of County Commissioners of Washington County, Maryland, and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Board by himself as such President.

WITNESS my hand and Official Notarial Seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

STATE OF MARYLAND, COUNTY OF \_\_\_\_\_, to-wit:

I HEREBY CERTIFY, that on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_, before me, the subscriber, a Notary Public in and for the State and City/County aforesaid, personally appeared \_\_\_\_\_, who acknowledged himself to be the \_\_\_\_\_, (the "Company") and that he, as such \_\_\_\_\_, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Company by himself as such \_\_\_\_\_.

WITNESS my hand and Official Notarial Seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Approved:

WASHINGTON COUNTY DEPARTMENT  
OF HEALTH & HUMAN SERVICES

BY: \_\_\_\_\_  
Debbie Peyton, Director

Approved as to form  
and legal sufficiency:

\_\_\_\_\_  
Kirk Downey Attorney



**PUR-1413  
PROPOSAL FORM  
INVESTMENT SERVICES**

The Firm of: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Hereby agrees to provide the requested services as defined in the proposal, attachments thereto, and

Addenda No. \_\_\_\_\_ dated \_\_\_\_\_, No. \_\_\_\_\_ dated \_\_\_\_\_, No. \_\_\_\_\_ dated \_\_\_\_\_

**at the following annual lump sum contract prices based on assets of \$150 million:**

Contract Year No. 1:	_____ basis points or _____ (Written)	Dollars (\$ _____)* Figures
Contract Year No. 2:	_____ basis points or _____ (Written)	Dollars (\$ _____)* Figures
Contract Year No. 3:	_____ basis points or _____ (Written)	Dollars (\$ _____)* Figures
Contract Year No. 4:	_____ basis points or _____ (Written)	Dollars (\$ _____)* Figures
Contract Year No. 5:	_____ basis points or _____ (Written)	Dollars (\$ _____)* Figures

**Total Lump Sum for Contract Years 1 through 5 (Total Sum of \* Items above):**

\_\_\_\_\_ Dollars (\$ \_\_\_\_\_)  
 (Written) (Figures)

**OTHER FIRM COMPENSATION**

(Non-monetary compensation, markups, concessions, etc.)

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

**PUR-1413  
PROPOSAL FORM  
INVESTMENT SERVICES**

The Firm of: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Hereby agrees to provide the requested services as defined in the proposal, attachments thereto, and

Addenda No. \_\_\_\_\_ dated \_\_\_\_\_, No. \_\_\_\_\_ dated \_\_\_\_\_, No. \_\_\_\_\_ dated \_\_\_\_\_

**at the following annual lump sum contract prices based on assets of \$75 million:**

Contract Year No. 1: \_\_\_\_\_ basis points or \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)\*  
(Written) (Figures)

Contract Year No. 2: \_\_\_\_\_ basis points or \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)\*  
(Written) (Figures)

Contract Year No. 3: \_\_\_\_\_ basis points or \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)\*  
(Written) (Figures)

Contract Year No. 4: \_\_\_\_\_ basis points or \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)\*  
(Written) (Figures)

Contract Year No. 5: \_\_\_\_\_ basis points or \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)\*  
(Written) (Figures)

Total Lump Sum for Contract Years 1 through 5 (Total Sum of \* Items above):

\_\_\_\_\_ Dollars (\$ \_\_\_\_\_)  
(Written) (Figures)

**OTHER FIRM COMPENSATION**

(Non-monetary compensation, markups, concessions, etc.)

\_\_\_\_\_

**INVESTMENT MANAGER MUST SIGN HERE**

By signing here, the firm does hereby attest that they have read fully the instructions, conditions and general provisions and understands them.

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name & Title Printed: \_\_\_\_\_

E-mail Address: \_\_\_\_\_ Federal Employer's Identification No. \_\_\_\_\_

Telephone No./Fax No.: \_\_\_\_\_

Date: \_\_\_\_\_

**EXCEPTIONS**

(If no exceptions are being taken, state NONE)

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