



## COORDINATING COMMITTEE

### PUR-1668 REQUEST FOR PROPOSALS REGARDING QUALIFICATIONS AND EXPERIENCE/ TECHNICAL PROPOSALS AND PRICE PROPOSALS

#### INVESTMENT SERVICES

January 31, 2024

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", the "Other Post-Employment Benefits (OPEB) 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 will consider 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: <https://www.washco-md.net/purchasing-department/purch-open-invites/>, for assistance you may contact the Washington County Purchasing Department, Washington County Administration Complex, 100 West Washington Street, Third Floor, Suite 3200, telephone 240-313-2330.

A Pre-Proposal Conference/Teleconference will be held on **Wednesday, February 7, 2024, at 2:30 P.M. (EDT/EST)** in the Washington County Administration Complex Third Floor Conference Suite 3000, located at 100 West Washington Street, Hagerstown, Maryland. All interested bidders are requested to be present. Attendance is not mandatory but is strongly encouraged. Proposers who wish to participate via teleconference, please call prior to the teleconference 240-313-2330 for further instructions.

**NOTE: All Proposers must enter the County Administration Complex through either the front door, 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. 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.**



All interested firms shall send one (1) original, eight (8) copies and eight (8) flash drives of submittals of Qualifications and Experience/Technical information from consulting firms enclosed in a sealed opaque envelope marked "**Q & E (PUR-1668) – 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-1668 - 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-1668) – Investment Services**", with the firm's name and address clearly written on the outside of all envelopes to the office of Rick F. Curry, CPPO – Director of Purchasing, Washington County Purchasing Department, Washington County Administration Complex, 100 West Washington Street, Third Floor, Suite 3200, Hagerstown, Maryland, 21740, no later than **4:00 P.M., (EDT/EST), Wednesday, February 28, 2024**. 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. For those considered unsatisfactory, the envelope containing the related Price Proposal will be returned unopened to the respective party. *Facsimile or Electronic Proposals will not be accepted.*

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, Maryland.

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, Maryland 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, Maryland 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



PURCHASING DEPARTMENT  
DIVISION OF BUDGET & FINANCE

### **IMPORTANCE NOTICE**

In the near future, Washington County, Maryland will be moving to a procurement portal powered by Euna for accepting and evaluating solicitations. To register, visit <https://support@ionwave.com>.





## COORDINATING COMMITTEE

**PUR-1668**

### **REQUEST FOR SUBMITTALS REGARDING QUALIFICATIONS AND EXPERIENCE, TECHNICAL PROPOSALS AND PRICE PROPOSALS**

#### **INVESTMENT SERVICES**

**January 31, 2024**

#### **I. INTRODUCTION**

Washington County, Maryland will require the services of a firm to provide Investment Services for the "Defined Benefits Retirement Plan", the "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 officers, correctional officers, and firefighters) 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. The County wishes to maintain a strategy that not only protects County funds but grows County funds to provide for a stable and prosperous future.

The defined benefit retirement plan covers approximately eight hundred six (806) employees, three hundred seventy-five (375) retirees and/or beneficiaries, and sixty-three (63) vested non-active members. All full-time employees, with the exception of the County Treasurer, must contribute to the plan as a condition of employment. The plan is composed of two distinct groups, uniformed and non-uniformed services personnel. All uniformed personnel must contribute six percent and are eligible to retire at age fifty (50) or twenty-five (25) years of service. Effective July 1, 2013, all new hires must contribute six percent (6%) of their base salary on a pre-tax basis. Some non-uniformed employees employed prior to July 1, 2013, previously choose during a one-time offer to continue with their previous election to contribute five and one-half percent while others chose to increase their contribution to six percent at that time. Those contributing five and one-half percent are eligible to retire at age sixty (60) or thirty (30) years of service. Those who choose to change to the six percent contribution and were hired prior to July 1, 2013, as well as any non-uniformed new hires between July 1, 2013, and July 1, 2019, are eligible to retire

at age sixty (60) or twenty-five (25) years of service. Any non-uniformed new hires beginning on July 1, 2019, are eligible to retire at age sixty-two (62) or thirty (30) years of service.

The plan offers a Deferred Retirement Option Plan (DROP), which allows employees eligible to retire to continue working for five (5) years while receiving their pension benefit in a separate account. The account earns interest and can be accessed when the employee retires. A copy of the Summary Plan Description is available upon written request in accordance with Section XVII herein. As of November 2023, assets total approximately one hundred ninety-three million, nine hundred thousand (\$193.9M) dollars at market value. Annual employer contributions are approximately sixteen million, seven hundred thousand (\$16.7M) dollars in addition to about two million, eight hundred thousand (\$2.8M) dollars in employee contributions. Annual benefit payments from the pension plan are about twelve million, six hundred thousand (\$12.6M) dollars.

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 Human Resources Department. LOSAP has approximately eleven million, one hundred thousand (\$11.1M) dollars in assets. Benefit payments for this program began in January 2007, and are about seven hundred thirty thousand dollars (\$730,000) annually. Annual contributions are approximately three hundred twenty-six thousand (\$326,000) dollars. 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 sixty-five (65) or obtain Medicare coverage. The OPEB has an approximate dollar amount (market value) in total assets of twenty-eight million, four hundred thousand (\$28.4M) dollars. 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 County makes quarterly benefit payments from the OPEB to reimburse the health care plan for medical benefits provided to retirees. This payment is totaled at approximately eight hundred forty-three thousand (\$843,000) dollars annually.

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

The County developed and adopted a formal Investment Policy Statement. The Investment Policy Statement includes the County's investment objectives, asset allocation summary, asset guidelines, investment manager responsibilities and expected performance standards. A copy of the Investment Policy Statement (Attachment A) is 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 two hundred thirty-three million, four hundred thousand (\$233.4M) dollars 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. Comply with all applicable laws, regulations, and rulings.

2. Be currently registered and maintain registration as an investment advisor under the Investment Advisors Act of 1940 (the "Act"), or an insurance company qualified to perform investment management services under the laws of more than one state unless otherwise approved on an exception basis.
  3. Manage the portion of the Funds' assets under their control in accordance with the Investment Policy and any applicable management agreement or prospectus.
  4. Acknowledge in writing their fiduciary responsibility (if applicable) and fully comply with all portions of the IPS applicable to the Investment Manager, and as modified in the future.
  5. Exercise full investment discretion within the policies and standards established as to buy, hold, and sell decisions for the Funds' assets under management.
  6. On at least a quarterly basis, reconcile the account's positions with the Funds' designated custodian.
  7. Unless the Funds have retained a proxy voting service, exercise the proxy voting rights related to securities held in its portfolio in a manner consistent with the economic best interests of the Funds.
  8. If applicable, notify the Investment Committee if any time the Investment Manger feels that the guidelines in this IPS restrict the Investment Manger's performance, or that the objectives cannot be met.
  9. Notice 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.
- C. Quarterly, 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. 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;
6. Notice of material changes in the managers outlook, policy and tactics;
7. Notice of material changes in the manager's ownership organization structure, financial condition, senior staffing, and management.

## **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, Maryland 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) 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 Human Resources be contacted immediately to discuss the same. The schedule contained herein can only be revised per the written approval of the Director of Human Resources.

## **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 billion (\$1B) 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 five (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, Maryland 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.

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 and highlight your firm's strengths.
2. Data Processing Capabilities
  - a. Describe your backup systems and off-site storage system.
  - b. Describe your security systems.
  - c. Describe how your program aligns with the Department of Labor's cyber security guidance.
3. Reports



- a. Describe a typical quarterly or annual report and attach an actual sanitized sample.
  - b. Attach most recent market forecast/commentary.
4. 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.
5. 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
    - i. What degree of discretion do you prefer to have in asset allocation?
    - ii. What benchmark allocation would you suggest?
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 F).
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. Do you expect to receive any compensation outside of the fees charged to the County? This is often described as indirect revenue.
7. The proposal must be accompanied by a fully executed Affidavit (Attachment B) 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.
8. The proposal must be accompanied by the Provisions for Other Agencies (Attachment C). 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 in 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: <https://www.washco-md.net/wp-content/uploads/ProcurementPolicyManual2013FinalDraftrevised3-5-2020.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), Director of Purchasing, Chief Financial Officer, Director of Human Resources, and the Retirement Coordinator. 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 a 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 D).
- 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 (1/4) 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/TELECONFERENCE**

A Pre-Proposal Conference/Teleconference will be held on **Wednesday, February 7, 2024, at 2:30 P.M., (EDT/EST)** in the Washington County Administration Complex Third Floor Conference Suite 3000, 100 West Washington Street, Hagerstown, Maryland 21740. All interested bidders wishing to take part in the meeting via teleconference shall call prior to the teleconference 240-313-2330 to receive instructions. All interested bidders are requested to be present. Attendance in person or via teleconferencing is not mandatory for those wishing to submit proposals but is strongly encouraged.

## **XIV. TERM OF CONTRACT**

- A. The contract will be for a one (1) year period, tentatively commencing April 1, 2024 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 E) 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 Human Resources.
- 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 Human Resources.
- 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 one hundred thousand (\$100,000) dollars or more, shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of five hundred (\$500) dollars 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, Maryland 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, send questions in Microsoft Word platform via-email to: [purchasingquestions@washco-md.net](mailto:purchasingquestions@washco-md.net). 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. (EDT/EST), Wednesday, February 14, 2024, shall 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-1668**", 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-1668**", 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-1668**". Submittals are due into the Office of Rick F. Curry, CPPO – Director of Purchasing, Washington County Purchasing Department, Washington County Administration Complex, 100 West Washington Street, Third Floor, Suite 3200, Hagerstown, Maryland, 21740, no later than **4:00 P.M., (EDT/EST), Wednesday, February 28, 2024**. 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.

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

BOARD OF COUNTY COMMISSIONERS  
OF WASHINGTON COUNTY, MARYLAND

RFC:llb  
Attachments (6)  
cc: Coordinating Committee Members



DIVISION OF  
**BUDGET & FINANCE**  
 ACCOUNTING | PURCHASING | GRANT MANAGEMENT

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## BACKGROUND

Washington County, Maryland (the "County") sponsors the Employees' Retirement Plan of Washington County, the Washington County, Maryland Volunteer Length of Service Award Program Plan, and the County Commissioners of Washington County Other Post-Employment Benefits Plan (collectively, the "Plans"). The County has established the Employees' Retirement Trust Fund of Washington County, the Washington County, Maryland Volunteer Length of Service Award Program Trust Fund, and the County Commissioners of Washington County Other Post-Employment Benefits Trust Fund (collectively, the "Funds"). The Funds are intended to provide for funding of benefits for those who meet the applicable requirements set forth in the respective Plans.

## SCOPE

This Investment Policy Statement (the "IPS") sets forth the investment policies (in the form of guidelines) and objectives of the Funds. The County has arrived at this IPS through careful study of the returns and risks associated with various investment strategies in relation to the current and projected liabilities of the Plans and the Funds, after consulting with such outside investment professionals as the County deemed appropriate. While this IPS has been chosen as the most appropriate policy for achieving the financial objectives of the Funds (at the time of adoption), this IPS is intended only to provide guidance to the County and the Investment Committee in performing their respective duties under the Plans. It is recognized that this IPS does not and cannot set forth all guidelines that the County and the Investment Committee may deem appropriate to consider when making investment decisions for the Funds. Accordingly, the terms of this IPS are merely general guidelines for application by the County and the Investment Committee where appropriate. It is expressly noted that the terms of this IPS are not binding on the County and the Investment Committee and the County and the Investment Committee may make decisions that are inconsistent with the terms of this IPS if they determine it is prudent and in the best interest of the Plans' participants to do so.

Notwithstanding the foregoing, this IPS is not intended, and shall not be deemed, to expand the duties of the Plans' fiduciaries or to create duties that do not exist under applicable law or the documents governing the Plan. If any term of this IPS conflicts with applicable law or those documents, applicable law and the governing Plan documents shall control.

Notwithstanding the preceding, it is intended that the policies within this IPS be binding on the Investment Services Consultant and Investment Managers, and that, among other responsibilities, the Investment Services Consultant certify to the Investment Committee at each meeting of the Investment Fiduciaries that the requirements of this IPS have been satisfied in both form and substance.

For purposes of this IPS, "Investment Fiduciary(ies)" means mean any individual or group of individuals that exercise authority or control over the management, disposition or administration of the Funds which includes but is not limited to: the County (acting through its Investment Committee and the County Commissioners), the Investment Services Consultant, the Investment Manager and the Custodian.

No employee of the County (in his or her individual capacity) shall be considered a fiduciary of the Plan or Fund. Instead, to the maximum extent permitted by applicable law, any employee acting for the County in connection with County's role under this IPS shall be deemed to be acting merely as a representative of the County and not in his or her individual capacity.

## PURPOSE

### Purpose of the IPS

This IPS has been adopted by the Funds in order to:

- Define and generally assign the responsibilities of all involved parties.
- Establish a clear understanding of the investment goals and objectives of the Funds.
- Establish the relevant investment horizon for which the Funds' assets will be managed.
- Establish a target asset allocation and re-balancing procedures for the Funds.
- Offer guidance and limitations to all third-party investment funds/managers ("Investment Managers") regarding the investment of assets.
- Establish a basis for evaluating the Funds' investment results.

In developing this IPS, considerations included liquidity requirements, the need to diversify assets, and the financial impact (including the possibility of significant loss) of a range of asset allocations (among other factors considered by the County). This IPS will be updated from time to time as determined by the County in its discretion. Further, changing market conditions, economic trends or business needs may necessitate modification of this IPS. For this purpose, any such modifications shall be deemed to be made part of this IPS as of the date deemed appropriate by the County (or its designee), notwithstanding the incorporation of such modifications into this IPS at a later date. In that regard, this IPS may be amended, if appropriate, at any time and such amendments may be made retroactively effective if necessary (e.g., to reflect a modification previously made that is later incorporated into this IPS).

In general, the purpose of this IPS is to outline a philosophy which will guide the investment management of Funds' assets toward the desired results. It is intended to be sufficiently specific, yet flexible enough to be practical and to ensure that sufficient prudence and care are exercised in the investment program. This IPS is intended to serve as a reference tool, an operating code, and a communication link between and among the County Commissioners, the Investment Committee, the Investment Services Consultant and the Investment Managers. As appropriate, the Investment Fiduciaries will consult with the Funds' actuary(ies) to align investment decisions with the County's funding obligations under the respective Plans.

## DISTINCTION OF RESPONSIBILITIES

### Responsibilities of the Board of County Commissioners

- Approve this IPS.

### Responsibilities of the Investment Committee

The Investment Committee shall consist of the County Administrator, the Director of Human Resources, the Chief Financial Officer as Chairperson, the Director of Finance, one County Commissioner appointed who will be appointed by the Board of County Commissioners to serve a four-year term. The Investment Committee (with the assistance of the Investment Services Consultant) shall assist in the development of policies and guidelines regarding the Funds' investments. These policies and guidelines shall include (but are not restricted to) establishment of:

- Investment Objectives, Investment Policy, Investment Guidelines, and Review Procedures.
- Standards for measuring, monitoring, evaluating and comparing investment performance of the Funds.
- Procedures for authorization, reporting, control, review and general governance to ensure that the Funds' investment policies and guidelines are reviewed on a regular basis.

The Investment Committee shall examine this IPS periodically (and not less frequently than annually) and monitor implementation of the IPS with a frequency deemed appropriate by the Investment Committee.

The Chairperson of the Investment Committee shall have the authority to sign and execute any third-party investment manager agreements necessary to invest the Funds' assets in a manner consistent with this IPS. A minimum of two members of the Investment Committee, including the Chairperson, shall be designated as authorized signers, on any such agreements.

Neither the Investment Committee nor the individual members of the Investment Committee shall be responsible for the investment and other decisions made by service providers, fiduciaries or others acting in connection with the Plan or Fund. Rather, the Investment Committee members serve in a representative capacity on behalf of the County and shall (to the maximum extent permitted by applicable law) have no liability whatsoever for their service as such.

#### **Responsibilities of the Investment Services Consultant**

The County has retained an Investment Services Consultant to assist in fulfilling its investment goals and objectives in accordance with this IPS. The Investment Services Consultant shall have the following responsibilities:

- Comply with applicable laws, regulations and rulings.
- Comply with the terms of this IPS.
- Select Investment Managers (mutual funds and other common investment vehicles) with discretion to purchase, sell, or hold specific securities that will be used to meet the Funds' investment objectives.
- After the initial selection of an Investment Manager, regularly measure, monitor and evaluate the performance of the Funds and Investment Managers against the established goals and objectives.
- Rebalance the Funds' assets, as appropriate, to bring the asset allocation in-line with the approved target ranges.
- Measure and evaluate the Funds' investment performance results.
- Review this IPS on a regular basis and recommend modifications as appropriate.
- Adhere to the applicable Investment Services Consultant Contract and perform all duties required of the Investment Services Consultant under such contract.

#### **Responsibilities of any Investment Manager(s)**

The Funds' assets will be invested by Investment Managers; such Investment Managers have the following responsibilities:

- Comply with all applicable laws, regulations and rulings.
- Be currently registered and maintain registration as an investment advisor under the Investment Advisors Act of 1940 (the "Act"), a bank (as defined in the Act), or an insurance company qualified to perform investment management services under the laws of more than one state unless otherwise approved on an exception basis.
- Manage the portion of the Funds' assets under their control in accordance with this IPS and any applicable management agreement or prospectus.
- Acknowledge in writing their fiduciary responsibility (if applicable) and fully comply with all portions of the IPS applicable to the Investment Manager, and as modified in the future.
- Exercise full investment discretion within the policies and standards as established as to buy, hold, and sell decisions for the Funds' assets under management.
- On at least a quarterly basis, reconcile the account's positions with the Funds' designated custodian.

- Provide reports and data sheets to the Investment Services Consultant, if applicable, on at least a quarterly basis detailing the Funds' investment performance and positioning.
- Promptly inform the Investment Services Consultant regarding significant matters pertaining to the investment of the Funds' assets, including, but not limited to changes in ownership, organizational structure, investment strategy, portfolio design, or configuration of the investment team.
- Unless the Funds' have retained a proxy voting service, exercise the proxy voting rights related to securities held in its portfolio in a manner consistent with the economic best interests of the Funds.
- If applicable, notify the Investment Committee and the Investment Services Consultant if at any time the Investment Manager feels that the guidelines in this IPS restrict the Investment Manager's performance, or that the objectives cannot be met.

**Responsibilities of the Custodian**

The Fund has retained a third-party custodian to hold the Funds' assets; such custodian shall manage, control, collect, and use the assets of the Funds in accordance with the terms of the separate Custodial Agreement(s) or Trust Agreement(s) (as applicable) and this IPS.

**STANDARD OF CARE**

**Prudence**

Guidelines respecting prudence have been developed in light of investment objectives related to the Plans' obligations to its participants and beneficiaries. Actuarial, economic, investment, and socio-political events and trends (among others) are factors that affect meeting those obligations. Accordingly, these guidelines are, as a part of this IPS, intended to present broad and balanced considerations to guide all parties concerned, seeking appropriate allocation, investment, safekeeping, monitoring and evaluation of the Funds.

The Funds' Investment Fiduciaries shall discharge their responsibilities and assets shall be invested in a manner consistent with this IPS, and generally accepted fiduciary standards. All transactions undertaken on behalf of the Funds shall be solely in the interest of the Plans' participants and their beneficiaries and for the exclusive purpose of providing benefits under the Plans and defraying the reasonable expenses of administration of the Plans.

Investments shall be 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 such matters would use in the conduct of an enterprise of a like character and with like aims.

**Ethics and Conflicts of Interest**

Individuals involved in the investment process shall comply with the applicable provisions of the Washington County, Maryland Ethics Ordinance then in effect. In addition, individuals involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Individuals shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Without limiting the generality of the foregoing, this would include any material benefit from any asset held by or under the Funds. Such disclosure shall be made in writing or, if knowledge of the conflict arises in the course of a discussion at a meeting of the Investment Fiduciaries, orally during the course of such meeting (and in writing following the meeting). Upon giving notice, the person or persons with an actual or potential conflict shall refrain and withdraw from all discussions and participation in decisions pertaining to those matters where a conflict of interest



exists or is perceived to exist, except to the extent circumstances or applicable legal guidance indicates recusal and/or non-involvement is unnecessary.

#### **Delegation of Investment Authority**

Authority to manage the Funds' assets is granted to the Investment Services Consultant, who, in turn, will select Investment Managers (mutual funds and other common investment vehicles) with discretion to purchase, sell, or hold specific securities that will be used to meet the Funds' investment objectives. The Investment Services Consultant and any Investment Manager(s) shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this IPS. No person may engage in an investment transaction except as provided under the terms of this IPS and the Investment Services Consultant Contract and the Investment Manager Agreement(s), as appropriate. The Investment Services Consultant and the Investment Manager(s) shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, as appropriate.

### **INVESTMENT OBJECTIVES**

#### **Return Objectives**

Investment objectives are long-term in nature. All parties recognize securities markets are unlikely to provide a consistently favorable climate, on a shorter-term basis. Given this, long-term objectives are:

- Earn a total rate of return, net of investment fees, that achieves at least the Plans' actuarially assumed rate of return.
- Total annualized net investment return from all investments of the Funds and each asset class of the Funds is expected to meet or exceed the annualized return of the designated benchmark over a market cycle.

Investment performance objectives for the Funds are, as stated above, long-term in nature. Concern respecting market value or investment return volatility and other measures reflecting investment uncertainty, will be addressed through asset (class) allocations, investment management processes or "styles", portfolio diversification requirements, and other investment management guidelines and/or limitations.

#### **Risk Tolerance**

The County recognizes that some risk is necessary to produce long-term investment results sufficient to meet the goals and objectives of this IPS. However, the Investment Managers are to make reasonable efforts to control risk, and they will be evaluated regularly by the Investment Services Consultant to ensure that the risk taken is commensurate with the given investment style and objectives. With that background in mind, the Funds' risk tolerance is outlined below:

- Accept prudent levels of short and long-term volatility consistent with the near-term cash flow needs, and long-term liability structure of the Funds.
- Tolerate appropriate levels of downside risk relative to the Funds' target rate of return. In doing so, the Investment Services Consultant will attempt to minimize the probability of underperforming the Funds' target rate of return over the long-term and to minimize the shortfall in the event such underperformance occurs.
- Accept certain variances in the asset allocation structure of the Funds relative to the broader financial markets and peer groups.
- Tolerate certain levels of short-term underperformance by the Funds' Investment Managers.

## INVESTMENT POLICY

Investment Policy delineates controls and the associated monitoring intended to enhance the likelihood of meeting Investment Objectives.

### Asset Allocation

Asset class allocation decisions are intended to identify an appropriate investment approach for achieving the Funds' Investment Objectives while limiting investment risk through diversification (and other factors deemed relevant by the Investment Fiduciaries). The asset class targets delineated in **Attachments I-III** provide a framework through which the Funds' investments may be adjusted to meet economic and/or investment market conditions while continuing to be invested within the broader allocation framework deemed appropriate to the Funds' long-term Investment Objectives. The progression from current asset class targets to the ones delineated in **Attachments I-III** is intended to be a thoughtful and deliberate process. It is important to note that private market investments will not occur until the Investment Manager(s) fully or partially call committed capital. The asset class targets will be adjusted, with the private market investments' respective targets being increased on an approximately pro-rata basis upon the drawdown of each asset class's respective capital commitment, while targets for the source allocation will be decreased on an approximately pro-rata basis.

### Rebalancing and Evaluating the Asset Allocation

The asset allocation ranges represent a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside IPS ranges. When these divergences occur, the Investment Services Consultant will rebalance the assets within the specified ranges when and if the Investment Services Consultant believes it is prudent to do so. The Investment Services Consultant will provide assumptions on the capital markets over the long-term and optimize the asset allocation to best meet the target risk and return objectives of the Funds.

### Diversification

Investments must be broadly diversified to minimize the risk of substantial loss unless under the circumstances it is clearly not prudent to do so. Significant diversification can be accomplished through asset allocation, portfolio structure, and the selection of different Investment Managers (among other things). This IPS includes certain constraints intended to optimize investment diversification.

### Proxy Voting

The Investment Services Consultant is not responsible for voting proxies, except for mutual fund proxies, in which case the Investment Services Consultant will vote proxies received in accordance with Investment Services Consultant's proxy voting policy as set forth in its ADV Part 2A.

## INVESTMENT MANAGER SELECTION CRITERIA

The Investment Services Consultant may select, monitor and replace appropriate Investment Managers to invest the assets of the Funds, provided that any such selection is done prudently and for the exclusive benefit of the Plans' participants and beneficiaries. If the Investment Services Consultant determines that an Investment Manager should be selected or replaced, the below criteria will be used as a guide (among other factors the Investment Services Consultant deems prudent) to evaluate potential alternatives:

- Overall firm strength and investment professional tenure.
- Well-articulated and consistent application of investment philosophy and process.
- Portfolio characteristics and sector weightings relative to style benchmark.

- Consistent long-term performance relative to style benchmark and industry style universe.
- Portfolio's long-term risk/reward profile compared to style benchmark and industry style universe.
- Investment management fees compared to industry average.

Notwithstanding any other provision of this IPS to the contrary, and subject to any limitations on the Investment Service Consultant's ability to unilaterally remove or replace an investment option due to any restrictive provisions applicable to the Fund's current investment options, an investment option may be placed under formal performance review or be immediately terminated at any time and for any reason.

## INVESTMENT GUIDELINES

### Mutual and Other Commingled Funds

Given the nature of mutual and other commingled funds, it is recognized that there may be deviations between the objectives, intent or specific requirement of this IPS and the stated objectives, intent or content of any mutual or other commingled fund. However, reasonable efforts shall be made, to the extent practical, prudent and appropriate, to select mutual or other commingled funds that have investment objectives and policies that are consistent with this IPS.

### Equities

Investment Manager(s) are expected to purchase marketable equity securities listed on national securities exchanges. The structure of equity investments may be in the form of exchange-traded funds (ETFs), mutual funds, separately managed accounts and/or pooled trusts (and such other forms deemed appropriate by the Investment Manager(s)).

Investment Managers are given latitude in security selection subject to the following:

- Permissible equity investments include, but are not limited to, common equity, convertible securities, publicly traded REITs and American Depositary Receipts.
- Sector, industry, regional and individual security diversification should be maintained.
- No Investment Manager shall invest on a market value basis more than (the greater of): a) five (5) percent of their assigned portfolio in the security (-ies) of a single corporation or group of directly affiliated corporations or, b) 1.5 times the weighting of a security(-ies) within an Investment Manager's equity benchmark.
- No Investment Manager may use assigned funds to make or maintain an investment equaling or exceeding ten (10) percent ownership of the outstanding equity security(-ies) of a single corporation, or group of directly affiliated corporations.
- Stock options may be utilized by an Investment Manager(s) managing U.S. equity securities in "covered" or hedging postures but not in "naked" or speculative postures;
- Hedging to protect against currency impact upon a security position is permissible. Nevertheless, the purchase of speculative or "naked" currency contracts (i.e., currency trading or related risk taking), undertaken without a demonstrable exposed investment position to be hedged in a specific currency, is prohibited.

### Fixed Income

Suitable fixed income investments include, but are not limited to, U.S. Treasury and Federal agency securities, municipal securities, marketable debt securities of U.S. corporations, domestic and Yankee certificates of deposit, banker's acceptances, commercial paper, or other generally utilized money market or cash equivalent investments, including money market mutual funds meeting the quality standards delineated below. The structure of the investments may be in the form of direct purchases, ETFs, mutual

funds, separately managed accounts and/or pooled trusts (and such other forms deemed appropriate by the Investment Manager(s)).

The effective duration of fixed income securities, said average including any investments considered to be reserve or cash equivalent assets specific to any fixed income portfolio, shall be no more than 25 percent greater nor fifty (50) percent less than the effective duration of the policy benchmark.

Investment Managers are given latitude in security selection subject to the following:

- No issuer, other than the U.S. Government or Federal agencies, may represent more than five (5) percent of the total market value of the fixed income portfolio managed by any Investment Manager(s).
- There is no limit upon investment in U.S. Treasury securities as a percentage of fixed income investments, except that any single issue thereof may constitute no more than twenty five (25) percent of any Investment Manager(s)' fixed income investments at market value and any single Treasury zero coupon issue ten (10) percent at market value. Federal Agency securities are hereby limited to twenty-five (25) percent per agency, and to ten (10) percent, at market value, per any single Federal Agency issue.
- Cash and equivalents are the only permissible form of investment that is to be used for operating capital necessary for daily operations and reserves. Investments in cash and equivalents shall be in U.S. dollars in either:
  - Money market mutual funds in compliance with SEC rule 2a-7 or,
  - FDIC-insured Deposit Accounts or,
  - Cash sweep vehicles or Rule 2a-7 money market mutual funds held within SIPC-protected brokerage accounts.

### **Real Estate**

Real estate assets may be held in publicly traded Real Estate Investment Trusts (REITs) and servicing companies.

Real estate assets may be also held in private real estate investments, which will be implemented through open-end commingled fund vehicles.

Pooled real estate investment funds will diversify their exposures by property type and location in an attempt to limit exposure to any single property type or to any single geographic area. It is expected that at various points in time, the portfolio may be more heavily exposed to a single property type or location by virtue of opportunities in the market that are expected to generate excess return above long-term expectations. The diversification of the real estate portfolio will be compared to the composition of its peer benchmark the NCREIF ODCE Index. Limited use of leverage is permissible within pooled real estate investment funds to enhance investment returns and to mirror the NCREIF ODCE Index.

### **Infrastructure**

Infrastructure assets may be held in publicly traded Global Listed Infrastructure companies. Assets may also be held in private funds.

Infrastructure is broadly defined as the essential assets a society requires to facilitate the orderly operation of its economy and can be broken out into three broad categories: transportation, utility, and social. Typically, they are long-lived assets with low growth, similar volatility to real estate, and have an income stream tied to GDP/inflation that exceeds that of bonds. The Fund's private infrastructure allocation will consist predominately of core infrastructure strategies/assets. Such assets are generally characterized as



having a mature age, steady cash flows, long-term, regulated contracts, low growth opportunities, monopolistic or semi-monopolistic competitive positioning, and a total return profile consisting predominately of cash yield.

Private infrastructure investments will be implemented through open-end commingled fund vehicles. The underlying infrastructure assets held by the commingled vehicles shall be adequately diversified by geography and broad infrastructure sector.

With the understanding that private infrastructure managers employ leverage to enhance returns, leverage within the private infrastructure allocation of the Fund shall be limited to 75%. Leverage may be utilized at the commingled fund or asset-level. Leverage for individual asset may exceed 75%.

The investment risks associated with illiquid assets will be mitigated through the following requirements: 1. Institutional Quality: All investments must be institutional investment quality. Institutional quality is defined as an investment that would be considered acceptable by other prudent institutional investors (e.g., insurance companies, commercial banks, public employee retirement systems, corporate employee benefit plans, endowments and other tax-exempt institutions). 2. Diversification: No more than ten (10%) of the total portfolio will be invested at any time with any single partnership, entity, or organization.

#### Options/Defensive Equity

Investments that utilize options-writing strategies, provided that the strategy is clearly defined and articulated fully, in accordance with the relevant guidelines of this IPS, are permitted. Such investments will be implemented either through mutual funds or open-end commingled fund vehicles.

Any such strategy must be transparent and fully collateralized by high-quality short-to-intermediate fixed income securities for selling put options or the underlying equity and/or futures contracts for selling call options. These strategies are intended to capture the historical premium, or spread, between implied volatility and realized volatility within asset markets.

#### Private Credit/High Yield

The purpose of the private credit/high yield allocation is to generate returns greater than core fixed income over the long term. Assets may be held in publicly traded high yield securities and in private debt investments, which may be open end or closed end.

Private credit is an illiquid, lending-oriented strategy focused on private loans to performing companies. It includes primarily debt investments, where an investor expects to receive principal and interest, with the majority of returns being generated from cash flow yield. Private credit is typically structured with floating rate loans but can also include fixed rate loans. The average maturity of a loan is generally five years; however, loans tend to be repaid prior to maturity, so the average life of the loans is generally three years. Most loans are senior secured loans.

Investments will predominantly consist of direct lending, which are directly originated, nontraded, performing loans made to primarily middle market companies. Direct lending investments primarily are comprised of senior secured debt, which can be secured by general corporate collateral or by a company's specific collateral. Direct lending investments often utilize leverage (typically in the range of 0.5 to 2.5 times) at the fund level. Direct lending investments also have broadly diversified sector exposure and include a combination of sponsored (private equity backed companies) and non-sponsored borrowers. Private credit closed end fund terms are typically 5 to 8 years, with investment periods between 2 and 3 years. The potential for fund term extensions of up to three years is typically structured into most Private credit closed end funds.

A smaller, tactical allocation (e.g., mezzanine) within the private credit pool may be used to complement direct lending and to take advantage of the current investment environment.

#### **Prohibited Investments**

Securities having the following characteristics, unless stated otherwise in an investment management agreement, are not authorized and shall not be purchased: letter stock and other unregistered securities, commodities or commodity contracts where the Funds are a counterparty, short sales, and margin transactions. Further, derivatives, options, futures, or any other investment for the sole purpose of direct portfolio leveraging are prohibited. Publicly-traded securities of companies domiciled in China, direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited.

Notwithstanding anything in the Investment Guidelines to the contrary, only an investment permitted by applicable law may be considered and, then, only if such investment is determined to be prudent and in the best interests of Plan participants and beneficiaries.

### **REVIEW PROCEDURES**

#### **Review of Investment Objectives**

The Investment Services Consultant shall periodically review and report to the Investment Committee, not less frequently than annually, the appropriateness of this IPS for achieving the Funds' stated objectives. It is not expected that this IPS will change frequently. In particular, short-term changes in the financial markets generally should not require an adjustment in this IPS.

#### **Review of Investment Performance**

The Investment Services Consultant shall report on a quarterly basis to the Investment Committee to review the investment performance of the Funds. In addition, the Investment Services Consultant will be responsible for keeping the Investment Committee advised of any material change in investment strategy, Investment Managers, and other pertinent information potentially affecting performance of the Funds.

The Investment Services Consultant shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets.

#### **Review of Investment Services Consultant and Other Service Providers**

The Investment Committee shall periodically, and not less frequently than annually, review the performance of the Investment Services Consultant and other service providers to the Funds.

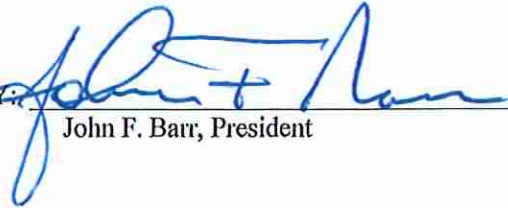
**SIGNATURES**

Originally adopted by the Board of County Commissioners of Washington County, Maryland on September 22, 2020. The effective date of this amendment to the Investment Policy Statement is July 11, 2023.

**ATTEST:**

**BOARD OF COUNTY COMMISSIONERS  
OF WASHINGTON COUNTY, MARYLAND**

  
\_\_\_\_\_  
Dawn L. Marcus, County Clerk

BY:   
\_\_\_\_\_  
John F. Barr, President

**ATTACHMENT I - Employees' Retirement Trust Fund of Washington County**

<u>Asset Class</u>	<u>Minimum, %</u>	<u>Target, %</u>	<u>Maximum, %</u>	<u>Benchmark</u>
<b>Equities</b>	<b>45.0</b>	<b>55.0</b>	<b>65.0</b>	
Domestic	25.0	35.0	45.0	Russell 3000
International	10.0	20.0	30.0	MSCI ACWI ex U.S. (net)
<b>Options / Defensive Equity</b>	<b>0.0</b>	<b>7.0</b>	<b>15.0</b>	CBOE Covered Combo
<b>Real Estate</b>	<b>0.0</b>	<b>4.0</b>	<b>10.0</b>	NCREIF ODCE
<b>Infrastructure</b>	<b>0.0</b>	<b>4.0</b>	<b>10.0</b>	CPI +2.5%
<b>Private Credit / High Yield</b>	<b>0.0</b>	<b>5.0</b>	<b>10.0</b>	Bloomberg High Yield
<b>Fixed Income</b>	<b>15.0</b>	<b>25.0</b>	<b>35.0</b>	
Investment Grade	13.0	23.0	33.0	Bloomberg Aggregate
Cash	0.0	2.0	10.0	BofAML 90-Day T-Bill

In the event an investment manager invests in more than one asset class, for example, a balanced manager or global equity manager, the manager's benchmark allocation to each asset class will be attributed to that particular asset class. For example, if a global equity manager's benchmark is allocated ten percent of the *total fund* and its benchmark is invested sixty percent in international equities, sixty percent of the global equity manager's allocations will be attributed to international equities and therefore, six percent of the *total fund* allocated to international equities.

Private market investments will not occur until the Investment Manager(s) fully or partially call committed capital. The asset class targets will be adjusted, with the private market investments' respective targets being increased on an approximately pro-rata basis upon the drawdown of each asset class's respective capital commitment, while targets for the source allocation will be decreased on an approximately pro-rata basis.

**ATTACHMENT II - County Commissioners of Washington County Other Post-Employment Benefits Trust Fund**

<u>Asset Class</u>	<u>Minimum, %</u>	<u>Target, %</u>	<u>Maximum, %</u>	<u>Benchmark</u>
<b>Equities</b>	<b>45.0</b>	<b>55.0</b>	<b>65.0</b>	
Domestic	25.0	35.0	45.0	Russell 3000
International	10.0	20.0	30.0	MSCI ACWI ex U.S. (net)
<b>Options/Defensive Equity</b>	<b>0.0</b>	<b>7.0</b>	<b>15.0</b>	CBOE Covered Combo
<b>Real Estate</b>	<b>0.0</b>	<b>4.0</b>	<b>10.0</b>	NCREIF ODCE
<b>Infrastructure</b>	<b>0.0</b>	<b>4.0</b>	<b>10.0</b>	MSCI World Core Infrastructure (net)
<b>Private Credit / High Yield</b>	<b>0.0</b>	<b>5.0</b>	<b>10.0</b>	Bloomberg High Yield
<b>Fixed Income</b>	<b>15.0</b>	<b>25.0</b>	<b>35.0</b>	
Investment Grade	13.0	23.0	33.0	Bloomberg Aggregate
Cash	0.0	2.0	10.0	BofAML 90-Day T-Bill

In the event an investment manager invests in more than one asset class, for example, a balanced manager or global equity manager, the manager's benchmark allocation to each asset class will be attributed to that particular asset class. For example, if a global equity manager's benchmark is allocated ten percent of the *total fund* and its benchmark is invested sixty percent in international equities, sixty percent of the global equity manager's allocations will be attributed to international equities and therefore, six percent of the *total fund* allocated to international equities.

Private market investments will not occur until the Investment Manager(s) fully or partially call committed capital. The asset class targets will be adjusted, with the private market investments' respective targets being increased on an approximately pro-rata basis upon the drawdown of each asset class's respective capital commitment, while targets for the source allocation will be decreased on an approximately pro-rata basis.



**ATTACHMENT III - Washington County, Maryland Volunteer Length of Service Award  
Program Trust Fund**

<u>Asset Class</u>	<u>Minimum, %</u>	<u>Target, %</u>	<u>Maximum, %</u>	<u>Benchmark</u>
<b>Equities</b>	<b>45.0</b>	<b>55.0</b>	<b>65.0</b>	
Domestic	25.0	35.0	45.0	Russell 3000
International	10.0	20.0	30.0	MSCI ACWI ex U.S. (net)
<b>Options/Defensive Equity</b>	<b>0.0</b>	<b>7.0</b>	<b>15.0</b>	CBOE Covered Combo
<b>Real Estate</b>	<b>0.0</b>	<b>4.0</b>	<b>10.0</b>	NCREIF ODCE
<b>Infrastructure</b>	<b>0.0</b>	<b>4.0</b>	<b>10.0</b>	MSCI World Core Infrastructure (net)
<b>Private Credit / High Yield</b>	<b>0.0</b>	<b>5.0</b>	<b>10.0</b>	Bloomberg High Yield
<b>Fixed Income</b>	<b>15.0</b>	<b>25.0</b>	<b>35.0</b>	
Investment Grade	13.0	23.0	33.0	Bloomberg Aggregate
Cash	0.0	2.0	10.0	BofAML 90-Day T-Bill

In the event an investment manager invests in more than one asset class, for example, a balanced manager or global equity manager, the manager's benchmark allocation to each asset class will be attributed to that particular asset class. For example, if a global equity manager's benchmark is allocated ten percent of the *total fund* and its benchmark is invested sixty percent in international equities, sixty percent of the global equity manager's allocations will be attributed to international equities and therefore, six percent of the *total fund* allocated to international equities.

Private market investments will not occur until the Investment Manager(s) fully or partially call committed capital. The asset class targets will be adjusted, with the private market investments' respective targets being increased on an approximately pro-rata basis upon the drawdown of each asset class's respective capital commitment, while targets for the source allocation will be decreased on an approximately pro-rata basis.

PUR-1668  
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  
(Month) (Year)

Contractor and I affirm the following:

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-1668**  
**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, Maryland 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, Maryland.

**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 the Board of County Commissioners of Washington County, Maryland 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, Maryland.

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 Purchasing Department, Board of County Commissioners of Washington County, Maryland 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, Maryland, 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



PUR-1668  
INVESTMENT SERVICES  
CONSULTANT CONTRACT

BY AND BETWEEN  
BOARD OF COUNTY COMMISSIONERS OF  
WASHINGTON, COUNTY, MARYLAND

AND

This Investment Services Consultant Contract (the "Contract") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2024, between the **BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, MARYLAND**, a body corporate and politic and a subdivision of the State of Maryland, (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-1668), dated January 31, 2024, together with any addenda thereto, (the "RFP"), to provide investment and related services for the "Defined Benefit Retirement Plan for the Employees of Washington County", the "Other Post-Employment Benefits (OPEB) for the employees of Washington County", and the "Length of Service Awards Program (LOSAP) for Washington County emergency services volunteers" (the "Plans").

The Board, pursuant to its RFP, is acting on the proposal submitted by \_\_\_\_\_, dated January 31, 2024, 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 Benefit Retirement Plan for the Employees of Washington County", the "Other Post-Employment Benefits (OPEB) for the employees of Washington County", and the "Length of Service Awards Program (LOSAP) for Washington County emergency services volunteers".

The Board desires to appoint \_\_\_\_\_ to serve as Investment Coordinator 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: Michelle Gordon, County Administrator  
Board of County Commissioners of  
Washington County, Maryland  
100 West Washington Street, Suite 1101  
Hagerstown, MD 21740



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

\_\_\_\_\_  
Dawn L. Marcus, Clerk

BY: \_\_\_\_\_  
John F. Barr, President

ATTEST:

\_\_\_\_\_  
Secretary

BY: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Title  
Address \_\_\_\_\_  
\_\_\_\_\_

STATE OF MARYLAND, WASHINGTON COUNTY, to-wit:

I HEREBY CERTIFY, that on this \_\_\_\_ day of \_\_\_\_\_, 2024, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared John F. Barr, 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 \_\_\_\_\_, 2024, 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 HUMAN RESOURCES

BY: \_\_\_\_\_  
Chip Rose, Director

Approved as to form  
and legal sufficiency:

\_\_\_\_\_  
Kirk Downey, County Attorney

**PUR-1668  
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 \$239 million:

Contract Year	Basis Points	OR	Total Price	
1		OR	_____ Dollars	\$ _____ (Figures)
			(Written)	
			_____ Cents	
			(Written)	
2		OR	_____ Dollars	\$ _____ (Figures)
			(Written)	
			_____ Cents	
			(Written)	
3		OR	_____ Dollars	\$ _____ (Figures)
			(Written)	
			_____ Cents	
			(Written)	
4		OR	_____ Dollars	C
			(Written)	
			_____ Cents	
			(Written)	

Contract Year	Basis Points	OR	Total Price	Contract Year
5		OR	_____ Dollars <i>(Written)</i> _____ Cents <i>(Written)</i>	\$ _____ <i>(Figures)</i>
<b>Total Lump Sum for Contract Years 1 through 5 (Total Sum of * Items above):</b> _____ Dollars <i>(Written)</i> _____ Cents <i>(Written)</i>				\$ _____ <i>(Figures)</i>

**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)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_