

**CITY OF KNOXVILLE**

**REQUEST FOR PROPOSALS**

**Pension Fiduciary Investment Advisory Services**

**Proposals to be Received by 11:00:00 a.m., Eastern Time  
October 30, 2018**

Submit Proposals to:  
City of Knoxville  
Office of the Purchasing Division  
City/County Building  
Room 667-674  
400 Main Street  
Knoxville, Tennessee 37902

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**City of Knoxville**  
**Request for Proposals**  
Pension Fiduciary Investment Advisory Services

**I. Statement of Intent**

The City of Knoxville Employees’ Pension System (the “System”) is requesting proposals from responsible firms or teams to provide fiduciary investment advisory services from proposers who are experienced in governmental or public sector retirement programs. Public safety retirement experience as well as non-uniformed retirement experience is preferred. The System is seeking professional services to perform investment advisory services to include monthly reporting for monthly investment committee meetings to include regular economic and capital markets updates, quarterly reporting with rankings amongst managers in peer groups, investment policy maintenance, manager searches, ongoing manager due diligence on both current and prospective managers, monitoring of investments for compliance with manager directives and investment policy targets and mandates, education as needed for investment committee/pension board and pension board staff on unfamiliar asset classes, providing quarterly index fund information for interest rate utilized in refunds and freezing of supplemental and hypothetical accounts for various plans, providing necessary report information for the System’s annual financial report including a letter of investment activity, perform asset/liability studies every five years or as deemed necessary, annual evaluation of private equity target allocation and recommendation of investment strategy, and ongoing support with rebalancing and liquidity requests.

**II. RFP Time Line**

Availability of RFP ..... October 1, 2018

Deadline for questions to be submitted in writing to the  
Purchasing Division ..... October 19, 2018

**Proposals Due Date ..... October 30, 2018**

**Note:** It is anticipated the Investment Committee will make a selection of a firm by December 4, 2018, and forward their recommendation to Pension Board for consideration at a regularly scheduled meeting during December 13, 2018.

This timetable is for the information of submitting entities. These dates are subject to change. **However, in no event shall the deadline for submission of the proposals be changed except by written modification from the City of Knoxville Purchasing Division.**

Copies of System’s financial reports may be found on the Pension System’s website at: <http://cokpension.org/resources/financial-information/>.

**III. Background**

The System has separate legal standing and is fiscally independent of the City of Knoxville. The

System will facilitate the selection process with support from the City of Knoxville Purchasing Division. The Pension Board is composed of nine members: two representatives from the general government departments, two representatives from the uniformed bodies (one Police and one Fire), the City's Mayor, the City Finance Director, one representative from City Council, and two mayoral-appointed representatives with financial backgrounds. The Investment Committee, which is made up of five Pension Board members, will serve as the Evaluation Committee.

All regularly employed persons of the City are covered by the plans. The System administers eight defined benefit plans, two active and six closed plans. The summary plan documents for each plan may be found on the System's website at: <http://cokpension.org/the-plans/>. The following is a brief description of each plan:

- Plan A – This plan covered all employees hired after 1/15/1963 through 12/31/1996 and Plan F members who transferred into A in 1962 that didn't or weren't eligible to transfer to C, G1 or G2. Plan A has two employee groups with varying benefits: Education Employees and Employees except Education Employees. This plan is closed to new entrants. There are three active employees contributing to this plan.
- Plan B - This plan covered General Government Employees hired from 1935 through 1/16/1963 that didn't or weren't eligible to transfer to Plan A. This plan is closed to new entrants. There is one active employee contributing to this plan.
- Plan C – This plan covered Uniformed Body (Police and Fire) Employees hired from 1/1/1971 through 12/31/2012 and Plan A Uniformed Body members who transferred to C on 1/1/1971. This plan is closed to new entrants. There are approximately five hundred active employees contributing to this plan.
- Plan F – This plan covered Uniformed Body (Police and Fire) Employees hired from 1929 through 1/15/1963 that didn't transfer to Plan A in 1962. This plan is closed to new entrants and there are no active employees contributing to this plan
- Plan G1 – This plan covered General Government Employees hired from 1/1/1997 through 12/31/2012 and Plan A members who transferred on 7/1/1997 who had not met their 10-year anniversary date. This plan is closed to new entrants. There are approximately one hundred and fifty active employees contributing to this plan.
- Plan G2 – This plan covered General Government Employees who transferred from Plan A on 7/1/1997 or who transferred from G1 at their 10th employment anniversary with the City. This plan is closed to new entrants. There are approximately three hundred active employees contributing to this plan.
- Plan H-GG – This plan covers General Government Employees hired from 1/1/2013 through now. There are approximately three hundred active employees contributing to this plan.
- Plan H-UB – This plan covers Uniformed Body (Police and Fire) Employees hired from 1/1/2013 through now. There are approximately one hundred active employees

contributing to this plan.

#### **IV. General Conditions**

4.1 The following data is intended to form the basis for submission of proposals to provide pension fiduciary investment advisory services for the City of Knoxville.

4.2 This material contains general conditions for the procurement process, the scope of service requested, contract requirements, instructions for submissions of proposals, and submission forms that must be included in the proposal. The RFP should be read in its entirety before preparing the proposal.

4.3 All materials submitted pursuant to this RFP shall become the property of the City of Knoxville.

4.4 To the extent permitted by law, all documents pertaining to this Request for Proposals shall be kept confidential until the proposal evaluation is complete and a recommendation submitted to City Council for review. No information about any submission of proposals shall be released until the process is complete, except to the members of the Evaluation Committee and other appropriate City staff. All information provided shall be considered by the Evaluation Committee in making a recommendation to enter into an agreement with the selected consultant.

4.5 Any inquiries, suggestions or requests concerning interpretation, clarification or additional information pertaining to the RFP shall be made **in writing and be in the hands of the Assistant Purchasing Agent by the close of the business day on October 19, 2018.** Questions can be submitted by letter, fax (865-215-2277), or email to [powens@knoxvilletn.gov](mailto:powens@knoxvilletn.gov). The City of Knoxville is not responsible for oral interpretations given by any City employee, representative, or others. The issuance of written addenda is the only official method whereby interpretation, clarification, or additional information can be given. If any addenda are issued to this Request for Proposals, the Purchasing Division will post them to the City's website at [www.knoxvilletn.gov/bids](http://www.knoxvilletn.gov/bids). Submitting organizations are strongly encouraged to view this website often to see if addenda are posted. Failure of any proposer to receive such addendum or interpretation shall not relieve such Proposer from any obligation under his proposal as submitted. All addenda so issued shall become part of the Contract Documents.

4.6 The City of Knoxville reserves the right to (a) accept or reject any and/or all submissions of proposals; (b) to waive irregularities, informalities, and technicalities; and (c) to accept any alternative submission of proposals presented which, in its opinion, would best serve the interests of the City. The City shall be the sole judge of the proposals, and the resulting negotiated agreement that is in its best interest, and its decision shall be final. The City also reserves the right to make such investigation as it deems necessary to determine the ability of any submitting entity to perform the work or service requested. Information the City deems necessary to make this determination shall be provided by the submitting entity. Such information may include, but is not limited to, current financial statements by an independent CPA, verification of availability of equipment and personnel, and past performance records.

4.7 Included in the Contract Documents is an affidavit that the undersigned has not entered

into any collusion with any person in respect to this qualification. The qualifier is required to submit this affidavit with the submission. Also included is the Diversity Business Program contracting packet. Submissions must indicate on the enclosed form whether or not the proposer/qualifier intends to use subcontractors and/or suppliers from one of the defined groups. Proposers/Qualifiers are advised that the City tracks use of such use, but it does not influence or affect evaluation or award.

4.8 Subsequent to the Evaluation Committee's review and the Mayor's recommendation of a firm(s), Knoxville City Council approval may be required before the final contract may be executed.

4.9 All expenses for making a submission of proposal shall be borne by the submitting entity.

4.10 Any submission of proposals may be withdrawn up until the date and time for opening of the submissions. **Any submission not so withdrawn shall, upon opening, constitute an irrevocable offer for a period of 120 days to the City of Knoxville for the services set forth in the Request for Proposals until one or more of the submissions have been duly accepted by the City.**

4.11 Prior to submitting their proposals, proposers are to be registered with the Purchasing Division through the City of Knoxville's online Vendor Registration system. Instructions for registering on-line are available at [www.knoxvilletn.gov/purchasing](http://www.knoxvilletn.gov/purchasing). **Proposals from un-registered proposers may be rejected.**

4.12 **NO CONTACT POLICY:** After the posting of this solicitation to the Purchasing Division's website, any contact initiated by any proposer with any City of Knoxville representative concerning this proposal is strictly prohibited, unless such contact is made with the Purchasing Division representative listed herein or with said representative's authorization. Any unauthorized contact may cause the disqualification of the proposer from this procurement transaction. Proposals must include a notarized No Contact/No Advocacy Affidavit (to be found in the "Submission Forms" section of this document).

4.13 **INCLEMENT WEATHER:** During periods of inclement weather, the Purchasing Division will enact the following procedures with regard to solicitations and weather delays:

- If City offices are closed due to inclement weather on the date that bids/proposals/qualifications/letters of interest are due into the Purchasing Office, all solicitations due that same day will be moved to the next operational business day.
- The City of Knoxville shall not be liable for any commercial carrier's decision regarding deliveries during inclement weather.

## V. Scope of Service

The successful Proposer(s) shall serve as a consultant and shall be responsible for the professional quality and accuracy of services and duties performed under an agreement to perform investment advisory services / consulting. Without limiting consultant's liability, consultant shall, without additional compensation, correct or revise any errors or omissions in the services and data provided thereunder. Consultant is considered to be skilled and knowledgeable

in his / her profession to a degree necessary to perform the services and duties contained in the agreement and the Pension Board hereby relies upon those skills and knowledge. Consultant shall perform such professional services and duties as contained in the agreement in conformance to and consistent with the standards generally recognized as being employed by professionals of similar experience, qualifications, skills, expertise, and achievements when considering services similar to those specified herein.

Investment Advisory Services to be provided by the Proposer(s) shall include, but not be limited to, the following:

5.1 Prepare and present monthly investment performance reports of the System's portfolio to include regular economic and capital markets updates to the investment committee at their regularly scheduled meeting on the first Tuesday of each month, either in person, via phone, or video conference. In addition, prepare and present expanded quarterly reports that rank the System's investment managers to their peers in the same asset class to be presented in person to the full Pension Board on the second Thursday of the second month following the quarter end.

5.2 Provide investment policy maintenance and recommendations as deemed necessary, to include target allocations based on risk tolerance and the System's expected rate of return which is currently 7.25%.

5.3 Conduct and provide research for all manager searches deemed necessary as part of the investment policy target allocation maintenance.

5.4 Ongoing manager due diligence on both current and prospective managers.

5.5 Provide monitoring of investment for compliance with manager directives and investment policy targets and mandates.

5.6 Prepare Asset/Liability Studies every five years beginning July 1, 2020.

5.7 Provide education as needed for the investment committee/Pension Board and/or Pension Board staff on unfamiliar asset classes or other trending topics, as deemed appropriate, to assist the committee and/or executive director with making recommendations to the Board regarding investment suggestions.

5.8 Provide quarterly index fund information for interest rates utilized in refunds and freezing of supplemental and hypothetical account for various plans, which currently is the Barclay's 1-3 year Government Bond Index Fund.

5.9 Provide ongoing support with rebalancing and liquidity requests by the Executive Director as needed for operations.

5.10 Conduct a regular annual evaluation of the System's private equity target allocation and recommendation of investment strategy to the investment committee.

5.11 Assist with, provide, or prepare financial, statistical and other information, including the

investment consultant's letter of investment activity, as needed by the System for the preparation of the Comprehensive Audit Financial Report that complies with the provisions of and for submission to the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program ("CAFR Program").

5.12 Responsibility for responding to any inquiries by the Pension Auditor(s).

## **VI. Contract Requirements**

Submitting entities, if selected, must be willing to sign a contract with the City which will include certain provisions, among which are the following:

6.1 Contract Documents. The contract shall consist of (1) the RFP; (2) the proposal submitted by the contractor to this RFP; and (3) the contract. In the event of a discrepancy between the contract, the RFP and the submitted proposal, the terms that provide the greater benefit to the City and/or impose the greater obligation to the contractor will prevail.

6.2 Administration. The contract will be administered by the City of Knoxville Pension Board.

6.3 Invoices. Invoices for services will be submitted to the City in accordance with the contract terms.

6.4 Independent Contractor. The relationship of contractor to the City will be that of independent contractor. The contractor will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants and subcontractors done during the performance of the contract. All services performed by the contractor shall be provided in an independent contractor capacity and not in the capacity of officers, agents, or employees of the City.

6.5 Assignment. The contractor shall not assign or transfer any interest in this contract without prior written consent of the City of Knoxville.

6.6 Indemnification and Hold Harmless. The successful proposer will be required to sign a contract with the City which contains the following indemnification clause. This indemnification clause will not be altered in any way. Failure to agree with this indemnification clause in the contract may result in the City moving to the next responsible responsive proposer.

Contractor shall defend, indemnify and hold harmless the City, its officers, employees and agents from any and all liabilities which may accrue against the City, its officers, employees and agents or any third party for any and all lawsuits, claims, demands, losses or damages alleged to have arisen from an act or omission of Contractor in performance of this Agreement or from Contractor's failure to perform this Agreement using ordinary care and skill, except where such injury, damage, or loss was caused by the sole negligence of the City, its agents or employees.

Contractor shall save, indemnify and hold the City harmless from the cost of the defense of any claim, demand, suit or cause of action made or brought against the City alleging liability referenced above, including, but not limited to, costs, fees, attorney fees, and other expenses of

any kind whatsoever arising in connection with the defense of the City; and Contractor shall assume and take over the defense of the City in any such claim, demand, suit, or cause of action upon written notice and demand for same by the City. Contractor will have the right to defend the City with counsel of its choice that is satisfactory to the City, and the City will provide reasonable cooperation in the defense as Contractor may request. Contractor will not consent to the entry of any judgment or enter into any settlement with respect to an indemnified claim without the prior written consent of the City, such consent not to be unreasonably withheld or delayed. The City shall have the right to participate in the defense against the indemnified claims with counsel of its choice at its own expense.

Contractor shall save, indemnify and hold City harmless and pay judgments that shall be rendered in any such actions, suits, claims or demands against City alleging liability referenced above.

The indemnification and hold harmless provisions of this Agreement shall survive termination of the Agreement.

6.7 Termination. The City may terminate this Agreement at any time, with or without cause, by written notice of termination to the Contractor.

If the City terminates this Agreement, and such termination is not a result of a default by the Contractor, the Contractor shall be entitled to receive as its sole and exclusive remedy the following amounts from the City, and the City shall have no further or other obligations to the Contractor: the amount due to the Contractor for work executed through the date of termination, not including any future fees, profits, or other compensation or payments which the Contractor would have been entitled to receive if this Agreement had not been terminated.

The City may, by written notice of default to the Contractor, terminate the whole or any part of this Agreement if the Contractor fails to perform any provisions of this Agreement and does not cure such failure within a period of ten (10) days (or such longer period as the Purchasing Agent may authorize in writing) after receipt of said notice from the Purchasing Agent specifying such failure. If this Agreement is terminated in whole or in part for default, the City may procure, upon such terms and in such manner as the Purchasing Agent may deem appropriate, supplies or services similar to those terminated.

6.8 Insurance. When applicable and prior to the commencement of the contract, contractor must, at its sole expense, obtain and maintain in full force and effect for the duration of the Agreement and any extension hereof at least the following types and amounts of insurance for claims which may arise from or in connection with this Agreement. Contractor shall furnish the City of Knoxville with properly executed certificates of insurance which shall clearly evidence all insurance required by the City. All insurance must be underwritten by insurers with an A.M. Best rating of A-VIII or better. Such insurance shall be at a minimum the following:

- A. **Commercial General Liability Insurance;** occurrence version commercial general liability insurance, and if necessary umbrella liability insurance, with a limit of not less than \$2,000,000 each occurrence for bodily injury, personal injury, property damage, and products and completed operations. If such

insurance contains a general aggregate limit, it shall apply separately to the work/location in this Agreement or be no less than \$3,000,000.

Such insurance shall:

(a.) Contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds. Proof of additional insured status up to and including copies of endorsements and/or policy wording will be required.

(b.) For any claims related to this project, Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, officers, employees, and volunteers. Any insurance or self-insurance programs covering the City, its officials, officers, employees, and volunteers shall be excess of Contractor's insurance and shall not contribute with it.

(c.) At the sole discretion of the City, dedicated limits of liability for this specific project may be required.

- B. **Professional Liability (including Errors & Omissions) Insurance;** Contractor shall maintain professional liability insurance covering claims arising from real or alleged errors, omission, or negligent acts committed in the performance of professional services under this Agreement with limits equal to the general liability requirement but no less than \$2,000,000. Coverage for contingent bodily injury and property damage should be included or endorsed on the policy.
- C. **Automobile Liability Insurance;** including vehicles owned, hired, and non-owned, with a combined single limit of not less than \$1,000,000 each accident. Such insurance shall include coverage for loading and unloading hazards. Insurance shall contain or be endorsed to contain a provision that includes the City, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of Contractor.
- D. **Workers' Compensation Insurance.** Contractor shall maintain workers' compensation insurance with statutory limits as required by the State of Tennessee or other applicable laws and employers' liability insurance with limits of not less than \$500,000. Contractor shall require each of its subcontractors to provide Workers' Compensation for all of the latter's employees to be engaged in such work unless such employees are covered by Contractor's workers' compensation insurance coverage.
- D. **Other Insurance Requirements.** Contractor shall:

- Prior to commencement of services, furnish the City with original certificates and amendatory endorsements effecting coverage required by this section and provide that such insurance shall not be cancelled, allowed to expire, or be materially reduced in coverage except on 30 days' prior written notice to the City Attorney of Knoxville; P.O. Box 1631; Knoxville, Tennessee 37901. Proof of policy provisions regarding notice of cancellation will be required.
- Upon the City's request, provide certified copies of endorsements and policies if requested by the City in lieu of or in addition to certificates of insurance. Copies of policies will only be requested when contracts are deemed to be extremely or uniquely hazardous, include a dollar amount that is significant to the overall budget of the City or a City Department, or the coverage(s) may not follow standard insurance forms. A policy will only be requested after the City's Risk Manager has reviewed the contract and proof of coverage has been provided. Should the certificate of insurance refer to specific coverage wording or endorsements(s), proof of such policy wording or endorsement(s) will be required.
- Replace certificates, policies, and endorsements for any such insurance expiring prior to completion of services.
- Maintain such insurance from the time services commence until services are completed. Failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract.
- If Contractor cannot procure insurance through an insurer having an A.M. Best rating of A-VIII, Contractor may, in the alternative, place such insurance with insurer licensed to do business in Tennessee and having A.M. Best Company ratings of no less than A. Modification of this standard may be considered upon appeal to the City Law Director.
- Require all subcontractors to maintain during the term of the Agreement Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation/Employer's Liability insurance (unless subcontractor's employees are covered by Contractor's insurance) in the same manner as specified for Contractor. Contractor shall furnish subcontractors' certificates of insurance to the City without expense immediately upon request.
- Large Deductibles; Self-Insured Retentions. Any deductibles and/or self-insured retentions greater than \$50,000 must be disclosed to and approved by the City of Knoxville prior to the commencement of services. Use of large deductibles and/or self-insured retentions may require proof of financial ability as determined by the City.
- Waiver of Subrogation Required. The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, and employees for losses arising from work performed by Contractor for the City. Proof of waiver of subrogation up to and including copies of endorsements and/or policy wording will be required.

- Occurrence Basis Requirement. All general liability policies must be written on an occurrence basis, unless the Risk Manager determines that a claims made basis is reasonable in the specific circumstance. Use of policies written on a claims made basis must be approved by the City. Risk Manager and retroactive dates and/or continuation dates must be provided to the City prior to commencement of any work performed. Professional Liability and Environmental Liability (Pollution Coverage) are most commonly written on a claims made basis and are generally acceptable in that form.

6.9 Ethical Standards. Attention of all firms is directed to the following provisions contained in the Code of the City of Knoxville: Chapter 24, Article II, Section 24-33 entitled “Debts owed by persons receiving payments other than Salary;” Chapter 2, Article VIII, Division 11. the Contractor hereby takes notice of and affirms that it is not in violation of, or has not participated, and will not participate, in the violation of any of the following ethical standards prescribed by the Knoxville City Code:

A. Section 2-1048. Conflict of Interest.

It shall be unlawful for any employee of the city to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefore, where to the employee’s knowledge there is a financial interest possessed by:

- (1) the employee or the employee’s immediate family;
- (2) A business other than a public agency in which the employee or member of the employee’s immediate family serves as an officer, director, trustee, partner or employee; or
- (3) Any person or business with whom the employee or a member of the employee’s immediate family is negotiating or has an arrangement concerning prospective employment.

B. Section 2-1049. Receipt of Benefits from City Contracts by Council Members, Employees and Officers of the City.

It shall be unlawful for any member of council, member of the board of education, officer or employee of the city to have or hold any interest in the profits or emoluments of any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for the city in which any member of council, member of the board of education, officer or employee has or holds any such interest is void.

C. Section 2-1050. Gratuities and Kickbacks Prohibited.

It is unlawful for any person to offer, give or agree to give to any person, while a city employee, or for any person, while a city employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of:

- (1) An official action taken, or to be taken, or which could be taken;
- (2) A legal duty performed, or to be performed, or which could be performed; or

(3) A legal duty violated, or to be violated, or which could be violated by such person while a city employee.

Anything of nominal value shall be presumed not to constitute a gratuity under this section.

Kickbacks. It is unlawful for any payment, gratuity, or benefit to be made by or on behalf of a subcontractor or any person associated therewith as an inducement for the award of a subcontract or order.

D. Section 2-1051. Covenant Relating to Contingent Fees.

(a) Representation of Contractor. Every person, before being awarded a contract in excess of ten thousand dollars (\$10,000.00) with the city, shall represent that no other person has been retained to solicit or secure the contract with the city upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business.

(b) Intentional Violation Unlawful. The intentional violation of the representation specified in subsection (a) of this section is unlawful.

E. Section 2-1052. Restrictions on Employment of Present and Former City Employees.

Contemporaneous employment prohibited. It shall be unlawful for any city employee to become or be, while such employee, an employee of any party contracting with the particular department or agency in which the person is employed.

For violations of the ethical standards outlined in the Knoxville City Code, the City has the following remedies:

- (1) Oral or written warnings or reprimands;
- (2) Cancellation of transactions; and
- (3) Suspension or debarment from being a Contractor or subcontractor under city or city-funded contracts.

The value of anything transferred in violation of these ethical standards shall be recoverable by the City from such person. All procedures under this section shall be in accord with due process requirements, included but not limited to a right to notice and hearing prior to imposition of any cancellation, suspension or debarment from being a Contractor or subcontractor under a city contract.

6.10 Firms must comply with the President's Executive Order No. 11246 and 11375 which prohibit discrimination in employment regarding race, color, religion, sex or national origin. Firms must also comply with Title VI of the Civil Rights Act of 1964, Copeland Anti-Kick Back Act, the Contract Work Hours and Safety Standards Act, Section 402 of the Vietnam Veterans Adjustment Act of 1974, Section 503 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990, all of which are herein incorporated by reference.

6.11 Firms shall give consideration to the inclusion of minority firms or individuals in this

project, and shall advise the city in this proposal of their efforts to do so.

6.12 Firms shall give consideration to the use of environmentally sustainable best practices, and shall advise the city in this submittal of qualifications of their efforts to do so.

6.13 Federal, State, and Local Requirements. Each submitting entity is responsible for full compliance with all laws, rules and regulations which may be applicable.

6.14 Licenses. Before a contract is signed by the City, the submitting entity, if selected, **must** provide the City Purchasing Division with a copy of its valid business license **or** with an affidavit explaining why it is exempt from the business licensure requirements of the city or county in which it is headquartered. If a contract is signed, the contractor's business license shall be kept current throughout the duration of the contract, and the contractor shall inform the City of changes in its business name or location. The contractor must be a licensed professional as required by the state of Tennessee, see T.C.A. Sections 62-2-101 et. seq., for any services in this contract requiring such licensure.

6.15 Funding. The City's performance and obligation to pay under this contract is subject to funding contingent upon an annual appropriation.

6.16 Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Tennessee and its conflict of laws provisions. Venue for any action arising between the City and the Contractor from the Agreement shall lie in Knox County, Tennessee.

6.17 Subcontracts to the Agreement. Contractor shall not enter into a subcontract for any of the services performed under this Agreement without obtaining the prior written approval of the City.

6.18 Amendments. This Agreement may be modified only by a written amendment or addendum that has been executed and approved by the appropriate officials shown on the signature page of the Agreement.

6.19 Captions. The captions appearing in the Agreement are for convenience only and are not a part of the Agreement; they do not in any way limit or amplify the provisions of the Agreement.

6.20 Severability. If any provision of the Agreement is determined to be unenforceable or invalid, such determination shall not affect the validity of the other provisions contained in the Agreement. Failure to enforce any provision of the Agreement does not affect the rights of the parties to enforce such provision in another circumstance, nor does it affect the rights of the parties to enforce any other provision of this Agreement at any time.

6.21 No Benefit for Third Parties. The services to be performed by the Contractor pursuant to the Agreement with the City are intended solely for the benefit of the City, and no benefit is conferred hereby, nor is any contractual relationship established herewith, upon or with any person or entity not a party to the Agreement. No such person or entity shall be entitled to rely

on the Contractor's performance of its services hereunder, and no right to assert a claim against the City or the Contractor, its officers, employees, agents, or contractors shall accrue to the Contractor or to any subcontractors, independently retained professional consultant, supplier, fabricator, manufacturer, lender, tenant, insurer, surety, or any other third party as a result of this Agreement or the performance or non-performance of the Contractor's services hereunder.

6.22 Non-Reliance of Parties. Parties explicitly agree that they have not relied upon any earlier or outside representations other than what has been included in the Agreement. Furthermore, neither party has been induced to enter into this Agreement by anything other than the specific written terms set forth herein.

6.23 Force Majeure. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control, and performance times shall be considered extended for a period of time equivalent to the time lost because of such delay plus a reasonable period of time to allow the parties to recommence performance of their respective obligations hereunder. Should a circumstance of force majeure last more than ninety (90) days, either party may by written notice to the other terminate this Agreement. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of either party.

6.24 EEO/AA. The City of Knoxville is an EE/AA/Title VI/Section 504/ADA/ADEA Employer.

6.25 By submitting a proposal, the submitting entity agrees to all terms and conditions established in this RFP, including its contract requirements.

## **VII. Minimum Qualification Requirements**

Each firm interested in responding to this Request for Proposal must clearly demonstrate achievement of the minimum qualification requirements for their proposal to be considered. The proposer shall provide the information on the firm's qualifications and experience, qualifications of the project team, lead consultant's experience, and previous similar projects.

7.1 The Proposer shall have at least five (5) years of experience providing fiduciary investment consulting services to other United States public pension fund clients, similar to services requested herein.

7.2 The Proposer shall provide a lead Consultant who must have at least 5 years of experience with major public employee retirement systems as a lead consultant. The lead Consultant must provide direct supervision over all services provided to the System and be an employee of the Proposer, regularly engaged in the business of providing advisory services. The proposed team should also include a co-lead and/or a backup for the lead Consultant that is as familiar with the

System's plans should the lead Consultant be unavailable from time to time.

7.3 The Proposer shall have the capacity to provide services on a timely basis.

- Must be available either via teleconference or video conference for the first Tuesday of each month for the Investment Committee meetings, currently held at 3:00 p.m. EST, and prepare and present monthly "Flash" reports available from the previous month's financial performance compared to the designated index fund performance for the same period net of fees. (Ex.: August for the October meeting)
- Prepare and present expanded quarterly investment performance reports that rank the System's investment managers to their peers in the same asset class to be presented in person to the full Pension Board on the second Thursday of the second month following the quarter end which is currently held at 9:00 a.m. EST. (Ex. 3<sup>rd</sup> Quarter presented at the November Board meeting)
- All other services as determined at the time of the request.

7.4 Acknowledge in writing that your firm will have a fiduciary obligation as an investment adviser to the System while providing the consulting services we are seeking.

## VIII. Instructions to Submitting Entities

All submissions of proposals shall comply with the following instructions. These instructions ensure that (1) submissions contain the information and documents required by the City RFP and (2) the submissions have a degree of uniformity to facilitate evaluation.

### 9.1 General

Submission forms and RFP documentation may be obtained on or after October 1, 2018, at no charge from:

City of Knoxville Purchasing Division  
City/County Building  
400 Main Street, Room 667  
Knoxville, Tennessee 37902

between 8:30 a.m. and 4:30 p.m. (Eastern Time), Monday through Friday or by calling 865/215-2070. Forms and RFP information are also available on the City web site at [www.knoxvilletn.gov/bids](http://www.knoxvilletn.gov/bids) where it can be read or printed using Adobe Acrobat Reader software.

### 9.2 Submission Information

Proposals shall include eight (8) hard copies (one original and seven duplicates—**mark the original as such**) and one electronic copy of the proposal (.pdf format on CD or USB drive only—**mark the storage device with the company name**); the electronic version shall be an exact duplicate of the original, and the electronic version will be the official document exhibited in the contract. **Electronic submissions must be included with the sealed submissions; do not email your submission.**

**IMPORTANT NOTE: A minimum of one of the submitted proposals must bear an original signature, signed in ink (duplicated signatures substituted for original ink signatures may result in rejection of the proposals). This document is the official, original submission; the required copies may have copied signatures.** The signature must be entered above the typed or printed name and title of the signer. All proposals must be signed by an officer of the company authorized to bind the firm to a contract.

Proposals will be received until 11:00:00 a.m. (Eastern Time) on October 30. Each proposal must be submitted in a sealed envelope addressed to:

City of Knoxville Purchasing Division  
City/County Building  
400 Main Street, Room 667  
Knoxville, TN 37902

**IMPORTANT NOTE: Each mailing envelope or carton containing a proposal or multiple copies of the proposal must be sealed and plainly marked on the outside “Pension Fiduciary Investment Advisory Services.”** Proposers are reminded that the Purchasing Division receives many bids and proposals for any number of solicitations; **unlabeled submissions are extremely difficult to match to their appropriate solicitations and therefore may be rejected.**

Any proposals received after the time and date on the cover sheet will not be considered. It shall be the sole responsibility of the submitting entity to have the proposal delivered to the City of Knoxville Purchasing Division on or before that date.

Late proposals will not be considered. Proposals that arrive late due to the fault of United States Postal Service, United Parcel Service, DHL, FEDEX, any delivery/courier service, or any other carrier of any sort are still considered late and shall not be accepted by the City. Such proposals shall remain unopened and will be returned to the submitting entity upon request.

### 9.3 Format

The City is committed to reducing waste. Submissions of qualifications must be typed on 8.5 x 11 inch wide white paper, printed on both sides. **DO NOT BIND** the document; instead, staple or binder clip the submission together and place in a sealed envelope (see Paragraph 7.2). Pages must be consecutively numbered. A table of contents must be included in the proposal immediately after the title page, and each of the following numbered sections must be tabbed.

Proposals shall be structured as follows. Numbered items listed below should have a numbered tab page:

1. Title Page
2. Table of Contents
3. Submission Forms:
  - A. Form S-1
  - B. Non-Collusion Affidavit
  - C. No Contact/No Advocacy Affidavit

- D. Iran Divestment Act Certification of Noninclusion
- E. Diversity Business Enterprise Program
- 4. Body of Proposal: Information which submitting entity wishes to include

NOTE: All required submission forms may be found in this solicitation document.

#### 9.4 Evaluation of Proposals

All qualified submissions received by the deadline will be analyzed by the Evaluation Committee according to the criteria outlined in these specifications. Failure to comply with the provisions of the RFP may cause any proposal to be ineligible for evaluation. Each submittal of proposals will be initially analyzed and judged according to the evaluation criteria below. The maximum score is 100 points.

The City reserves full discretion to determine the capability of proposing entities. Proposers, if asked, will provide, in a timely manner, any and all information that the City deems necessary to make such a decision. In addition to materials provided in the written responses to this RFP, the Committee may request additional material, information, references, a site visit, or a live test demonstration from the submitting entity or others.

The Evaluation Committee may or may not decide to interview any or all proposing entities at a time and date determined by the City in order to address questions and more fully ascertain how the solution to this project satisfies the evaluation criteria. Firms and/or teams responding to this Request for Proposals shall be available for interviews with the Evaluation Committee. Discussions may be conducted with responsible submitting entities for purposes of clarification to assure full understanding of and conformance to the RFP requirements. Selection shall be based on the firms' qualifications applicable to the scope and nature of the services to be performed per this request for proposals. Determination of firms' qualifications shall be based on their written responses to this Request for Proposals and information presented to the Evaluation Committee during oral interviews, if any.

In addition to materials provided in the written responses to this Request for Proposals, the Committee may request additional material, information, or references from the submitting entity or others.

Provided it is in the best interest of the City of Knoxville, the firm or team determined to be the most responsive to the City of Knoxville, taking into consideration the evaluation factors set forth in this Request for Proposals, will be selected to begin contract negotiations. The firm or team selected will be notified at the earliest practical date and invited to submit more comprehensive information if necessary. If no satisfactory agreement can be reached with the "most responsive firm," the City may elect to negotiate with the next best and most responsive firm or team.

#### **X. Evaluation Criteria**

An evaluation team, composed of representatives of the System's Investment Committee and Staff, will evaluate proposals on a variety of quantitative and qualitative criteria. Upon receipt of

proposals, the City will review to determine whether the proposal is acceptable or non-acceptable based on the criteria outlined below.

The criteria and the associated weights upon which the evaluation of the proposals will be based include, but are not limited to, the following:

## **QUALIFICATIONS/EXPERIENCE OF FIRM AND PERSONNEL – 45 points:**

### **10.1 General Information Regarding Your Firm**

10.1.1 Provide the firm's name, office address, name of primary RFP contact person, phone number, fax number and email address. If you have a web-site, please provide the URL.

10.1.2 If the firm has multiple office locations, which office will be servicing the contract and who will be the System's lead consultant and primary contact?

10.1.3 Give a brief history of your firm's involvement in the consulting business, including the year of organization, current ownership, and ownership affiliations with any other entities. Highlight any significant, recent (within the past three years), or pending developments, including planned or anticipated ownership changes, personnel reorganization, and staff departures. Also provide your firm's business continuation and disaster recovery plans.

10.1.4 Describe all of your firm's lines of business and the approximate contribution of each business to your organization's total revenue. If your firm is an affiliate or subsidiary of an organization, state what percentage of the parent firm's total revenue your affiliate or subsidiary generates. State the percentage of your revenues that are reinvested in which specific research functions.

10.1.5 Describe your plans for managing the future growth of your firm. Do you have a limitation on the number of clients you intend to accept?

10.1.6 Provide an organization chart of your firm and describe the relationship between each component and your consulting group.

### **10.2 Conflicts of Interest/Standards of Conduct**

10.2.1 Discuss whether your firm is registered as an investment adviser under the federal Investment Advisers Act of 1940 or exempt from registration? If so, when was the firm first so registered? Please provide a copy of your most recent Form ADV, Parts I & II.

10.2.2 State whether your firm or an affiliate manages money for clients. Include whether your firm or its parent or an affiliate are broker/dealers. State whether you trade client accounts through your own broker/dealer. State whether your firm accepts soft-dollars as a method of payment for services provided.

10.2.3 If your firm also provides portfolio management or brokerage services, describe how conflicts of interest between the research and the portfolio management and/or brokerage functions are prevented.

10.2.4 During the last five years, has the firm or any officer or principal of your organization been involved in litigation relating to consulting activities? Has the firm or any officer or principal been subject to censure or disciplinary action by a regulatory or professional organization (i.e. SEC, CFA Institute)? If so, provide a brief explanation and indicate the current status of the proceedings.

10.2.5 Do you or a related company have relationships with money managers that you recommend, consider for recommendation, or otherwise mention to the Plan? If so, describe those relationships.

10.2.6 What policies or procedures do you have to address conflicts of interest or to prevent these payments or relationships from being a factor when you provide advice to your clients?

10.2.7 If you are hired, will you acknowledge in writing that you have a fiduciary obligation as an investment adviser to the System while providing the consulting services we are seeking?

### **10.3 Clients**

10.3.1 Provide a current list of five (5) comparable public fund clients, including name, contact, telephone number, asset values, number of years the client has retained your firm, and the product(s) or services the client uses. The System may contact any of these clients as references.

10.3.2 List all public fund clients and what percentage of your business is comprised of those contracts.

10.3.3 How many defined benefit plans does your firm currently service?

10.3.4 How many clients do you represent in the state of Tennessee and how many of these are public/governmental clients?

10.3.5 Please give details on the number, name and asset values of any terminated client relationship in the last three years, with reason for the termination. Please provide appropriate contact information. The Plan will not make contact unless and until you have been notified you are a finalist in the search.

### **10.4 Professional Staff**

10.4.1 List the name and location of the primary individual(s) who would be responsible for our account and provide brief biographies including titles, functions, academic

credentials, and relevant experience. How many clients are assigned to each of these individuals and how long have they worked with each client?

10.4.2 Describe the typical client load for your consultants. State how this would compare to the consultants assigned to the account.

10.4.3 Explain your firm's preference regarding client communications. State whether communication would flow through a single contact person. Describe your back-up communication procedures when personnel assigned to the fund are traveling or unavailable. Describe your standard and emergency communication procedures.

10.4.4 Describe your firm's back-up procedures in the event any key personnel assigned to the account leave the firm. How would your firm, if awarded this contract, handle communication with System regarding their account if your firm's account manager were to leave?

10.4.5 List the turnover in key personnel that has occurred during the past three (3) years. Include the length of employment and reason for departure.

10.4.6 List the number of your firm's professional and support employees involved in:

- 10.4.6.1 Performance Evaluation
- 10.4.6.2 Marketing
- 10.4.6.3 Client Consultation
- 10.4.6.4 Research (by area)
- 10.4.6.5 Computer Programming
- 10.4.6.6 Support Services
- 10.4.6.7 Manager Search (by asset class)

10.4.7 The System assumes that more than one staff member will be assigned to our account. Explain how the team dedicated to the System would function, including lead person, back-up, specialty coverage, quality control, and support services.

10.4.8 Describe the firm's compensation and incentive program for hiring and retaining key consultant personnel. How does the firm tie client performance and satisfaction?

10.4.9 Describe the efforts made to keep all members of the firm's staff current with and informed of developments related to qualified plan governance and practices.

Each firm is required to provide statements and/or documentation to support the required minimum qualifications as listed in Section VII.

**TECHNICAL APPROACH – 40 points:** Proposers shall state how they plan to approach reporting, manager searches, investment policy maintenance, research, education, and performance monitoring, etc. Also see Section V “Scope of Services” of the RFP.

## 10.5 Investment Policy Development

10.5.1 Describe your public pension fund experience and approach in developing investment policy and objectives for a diversified pension fund. Describe your process for recommending modifications to the portfolio structure as warranted by risk considerations, changes in the market place or benefit obligations/ assumptions.

10.5.2 Outline the process for analyzing investment portfolio structure and describe your asset allocation model in two parts:

- a. maintenance and continuous allocation review
- b. the full asset/liability study process

10.5.3 What distinguishes your asset allocation model from your competitors'?

10.5.4 Provide a brief critique of the Plan's present asset allocation (provided as Exhibit A) along with any changes that might be recommended.

## **10.6 Performance Measurement**

10.6.1 What sources of data do you utilize for analyzing and evaluating your clients' portfolio(s) performance? How do you incorporate contributions and withdrawals into your analysis? Please address your treatment of derivatives and illiquid assets such as real estate, alternative assets, and private equity.

10.6.2 Describe your procedures for collecting the data necessary for these computations. What are your capabilities for on-line communication with client custodians? What sorts of quality checks and reasonableness checks do you perform?

10.6.3 Discuss in detail your performance attribution analysis as it relates to individual portfolios, each individual asset class (domestic equity, fixed income, international equity, private equity, real estate, etc.) and the total fund.

10.6.4 Describe how performance is compared to similar portfolios, being specific as to approach for individual portfolios within each asset class. For example, do you have a large-cap value universe, an international equity growth universe, a fixed income universe of comparable quality and duration, a real estate separate account universe, etc.?

10.6.5 Describe your process for recommending manager termination.

## **10.7 Manager Searches**

10.7.1 Describe your experience, capabilities, and approach in conducting searches for investment managers and other investment services. Please attach a sample manager profile/analysis.

10.7.2 Describe your firm's methodology and sources of data for analyzing and evaluating a potential manager's performance. Discuss benchmarks and comparisons with other managers. Describe how risk is factored into this analysis. Discuss any quantitative

attribution analysis that is performed. Do you use the managers' designated benchmarks or indices or do you create your own?

10.7.3 Describe your firm's databases for manager search. Describe, by style subgroups, how many managers are in each database. Describe the level of detail in your databases for potential managers including, for example, total assets under management; location of main subsidiary offices; staffing levels, major clients, history of mergers with other organizations; historical return information for individual portfolios and for organization composites. Describe how often the databases are updated; the sources of information; and how clients become aware of changes to the database. How do you verify the data collected from external sources? How often is each manager in the database visited by your staff both in-house and on-site?

10.7.4 How does your firm provide value beyond the provision of raw data? Do you possess any proprietary quantitative models that address style considerations? Does staff possess the direct experience in working with investment managers that enables them to provide a broad institutional perspective? Does client staff have direct access to these experts?

10.7.5 Describe your firm's process for monitoring managers in the database with respect to administrative conditions such as staff turnover, mergers and financial soundness. How are clients informed as to new information of this type? Do clients have continuing access to databases for updates/changes in status of their currently retained managers?

## **10.8 Research**

10.8.1 List the areas in which you provide research/advice, indicating those in which you feel especially qualified. Briefly describe your current/ongoing activities in each area and the resources devoted to them.

10.8.2 Provide your firm's computer and analytical capabilities. What sort of databases and analytical tools have you developed to support your efforts?

10.8.3 Describe the investment-related education or special research reports provided to your clients. Please provide a sample presentation.

10.8.4 How many managers do you maintain in your manager search database?  
a. If you have an in-house database, do you sell it to third parties? How do you receive compensation for selling it?  
b. Describe how your firm gathers, verifies, updates, maintains, and evaluates the data collected on managers for the database? Do you use surveys or meetings?

10.8.5 Describe any advantage that you perceive your database has over your competitors.

Provide any other details deemed necessary to provide the services listed in Section V. "Scope of

Services.”

**PRICING/COST – 15 points:** The proposal should contain all pricing information relative to performing the investment advisory services as described in this submission for each of the three contract years. The proposed total all-inclusive maximum price, per year, is to contain all direct and indirect costs, including all out-of-pocket expenses. Please outline your fee structure for this plan. Please indicate all services you propose to provide. Specifically, detail in terms of advisory services, manager searches, performance monitoring on a quarterly basis, reporting, and other functions.

The Proposers shall state the maximum fee that the investment advisory firm will charge for the three-year contract term, detailed by years 2019, 2020 and 2021. The Proposer shall provide to the System the fee for each of two optional years and its method of determination.

## **Submission Forms**

**CITY OF KNOXVILLE  
REQUEST FOR PROPOSALS  
Pension Fiduciary Investment Advisory Services**

**Submission Form S-1**

**Proposals to be Received by 11:00:00 a.m., Eastern Time; October 30, 2018; in Room 667-674, City/County Building; Knoxville, Tennessee.**

**IMPORTANT:** Proposals shall include eight (8) hard copies (one original and seven duplicates—**mark the original as such**) and one electronic copy of the proposal (.pdf format on CD or USB drive only—**mark the storage device with the company name**); the electronic version shall be an exact duplicate of the original, and the electronic version will be the official document exhibited in the contract. **Electronic submissions must be included with the sealed submissions; do not email your submission.**

**Please complete the following:**

**Legal Name of Proposer:** \_\_\_\_\_

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

**Telephone Number:** \_\_\_\_\_

**Fax Number:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**DUNS #:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Name and Title of Signer:** \_\_\_\_\_

**Note: Failure to use these response sheets may disqualify your submission.**

**NON-COLLUSION AFFIDAVIT**

State of \_\_\_\_\_

County of \_\_\_\_\_

\_\_\_\_\_, being first duly sworn, deposes and says that:

- (1) He/She is the \_\_\_\_\_ of \_\_\_\_\_, the firm that has submitted the attached Proposal;
- (2) He/She is fully informed respecting the preparation and contents of the attached Proposal and of all pertinent circumstances respecting such Proposal;
- (3) Such Proposal is genuine and is not a collusive or sham Proposal;
- (4) Neither the said firm nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other vendor, firm or person to submit collusive or sham proposal in connection with the contract or agreement for which the attached Proposal has been submitted or to refrain from making a proposal in connection with such contract or agreement, or collusion or communication or conference with any other firm, or, to fix any overhead, profit, or cost element of the proposal price or the proposal price of any other firm, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Knoxville or any person interested in the proposed contract or agreement; and
- (5) The proposal of service outlined in the Proposal is fair and proper and is not tainted by collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representatives, owners, employees, or parties including this affiant.

(Signed): \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires \_\_\_\_\_

No Contact/No Advocacy Affidavit

State of \_\_\_\_\_

County of \_\_\_\_\_

\_\_\_\_\_, being first duly sworn, deposes and says that:

(1) He/She is the owner, partner, officer, representative, or agent of \_\_\_\_\_  
\_\_\_\_\_, the Proposer that has submitted the attached Proposal;

(2) The Proposer \_\_\_\_\_ swears or affirms that he/she will abide by the following “No Contact” and “No Advocacy” clauses:

a) **NO CONTACT POLICY:** After the posting of this solicitation to the Purchasing Division's website, any contact initiated by any proposer with any City of Knoxville representative concerning this proposal is strictly prohibited, unless such contact is made with the Assistant Purchasing Agent (Penny Owens). Any unauthorized contact may cause the disqualification of the proposer from this procurement transaction.

b) **NO ADVOCATING POLICY:** To ensure the integrity of the review and evaluation process, companies and/or individuals submitting proposals for any part of this project, as well as those persons and/or companies representing such proposers, may not lobby or advocate to the City of Knoxville staff including, but not limited to, members of City Council, Office of the Mayor, Pension Board, or any other City staff.

**Any company and/or individual who does not comply with the above stated “No Contact” and “No Advocating” policies may be subject to having their proposal rejected from consideration.**

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_.

My commission expires: \_\_\_\_\_

## IRAN DIVESTMENT ACT

### Certification of Noninclusion

**NOTICE:** Pursuant to the Iran Divestment Act, Tenn. Code Ann. § 12-12-106 requires the State of Tennessee Chief Procurement Officer to publish, using creditable information freely available to the public, a list of persons it determines engage in investment activities in Iran, as described in § 12-12-105. Inclusion on this list makes a person ineligible to contract with the state of Tennessee; if a person ceases its engagement in investment activities in Iran, it may be removed from the list. A list of entities ineligible to contract in the State of Tennessee Department of General Services or any political subdivision of the State may be found here:

[https://www.tn.gov/content/dam/tn/generalservices/documents/cpo/cpo-library/public-information-library/List\\_of\\_persons\\_pursuant\\_to Tenn. Code Ann. 12-12-106 Iran Divestment Act updated 7.7.17.pdf](https://www.tn.gov/content/dam/tn/generalservices/documents/cpo/cpo-library/public-information-library/List_of_persons_pursuant_to_Tenn._Code_Ann._12-12-106_Iran_Divestment_Act_updated_7.7.17.pdf)

By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to T.C.A. § 12-12-106.

Vendor Name (Printed)	Address
By (Authorized Signature)	Date Executed
Printed Name and Title of Person Signing	

**NOTARY PUBLIC:**

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_.

My commission expires: \_\_\_\_\_

# DIVERSITY BUSINESS ENTERPRISE (DBE) PROGRAM

The City of Knoxville strongly encourages prime contractors to employ diverse businesses in the fulfillment of contracts/projects for the City of Knoxville.

The City of Knoxville's Fiscal Year 2018 goal is to conduct 3.06% of its business with minority-owned businesses, 10.03% of its business with woman-owned businesses, and 38.71% with small businesses.

While the City cannot engage (pursuant to state law) in preferential bidding practices, the City does **strongly encourage** prime contractors to seek out and hire diverse businesses in order to help the City meet its goals as stated above. As such, the City encourages prime contractors to seek out and consider competitive sub-bids and quotations from diverse businesses.

For DBE tracking purposes, the City requests that prime contractors who are bidding, proposing, or submitting statements of qualifications record whether or not they plan to employ DBE's as sub-contractors or consultants. With that in mind, please fill out, sign and submit (with your bid/proposal) the following sub-contractor/ consultant statement.

## CITY OF KNOXVILLE DIVERSITY BUSINESS DEFINITIONS

Diversity Business Enterprise (DBE's) are minority-owned (MOB), women-owned (WOB), service-disabled veteran-owned (SDVO), and small businesses (SB), who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background. These persons must own at least 51% of the entity and operate or control the business on a daily basis.

Minority: A person who is a citizen or lawful admitted permanent resident of the United States and who is a member of one (1) of the following groups:

- a. African American, persons having origins in any of the Black racial groups of Africa;
- b. Hispanic American, persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race;
- c. Native American, persons who have origin in any of the original peoples of North America ;
- d. Asian American, person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

Minority-owned business (MOB) is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more minority individuals.

Woman-owned business (WOB) is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more women.

Service Disabled Veteran-owned business (SDOV) is a continuing, independent, for profit business that performs a commercially useful function, owned by any person who served honorably on active duty in the armed forces of the United States with at least a twenty percent (20%) disability that is service connected. Meaning such disability was incurred or aggravated in the line of duty in the active military, naval or air service, and is at least fifty-one percent (51%) owned and controlled by one (1) or more service disabled veteran.

Small Business (SB) is a continuing, independent, for profit business which performs a commercially useful function and has total gross receipts of not more than ten million dollars (\$10,000,000) average over a three-year period or employs no more than ninety-nine (99) persons on a full-time basis.

**Subcontractor/Consultant Statement**  
(TO BE SUBMITTED IN THE BID/PROPOSAL ENVELOPE)

We \_\_\_\_\_ do certify that on the  
(Bidder/Proposer Company Name)

\_\_\_\_\_  
(Project Name)  
\$ \_\_\_\_\_  
(Amount of Bid)

**Please select one:**

**Option A: Intent to subcontract using Diverse Businesses**

A Diversity business will be employed as subcontractor(s), vendor(s), supplier(s), or professional service(s). The estimated **dollar value** of the amount that we plan to pay is:

\$ \_\_\_\_\_.  
Estimated Amount of Subcontracted Service

<b>Diversity Business Enterprise Utilization</b>			
Description of Work/Project	Amount	Diverse Classification (MOB, WOB, SB, SDOV)	Name of Diverse Business

**Option B: Intent to perform work “without” using Diverse Businesses**

We hereby certify that it is our intent to perform 100 % of the work required for the contract, work will be completed without subcontracting, or we plan to subcontract with non-Diverse companies.

DATE: \_\_\_\_\_ COMPANY NAME: \_\_\_\_\_

SUBMITTED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_  
(Authorized Representative)

ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP CODE: \_\_\_\_\_

TELEPHONE NO: \_\_\_\_\_