

**NOTICE OF SEARCH  
FOR  
DEVELOPED MARKETS ex USA ACTIVE EQUITY INVESTMENT MANAGERS  
PIN: 015-218-269-00 IQ**

**AUTHORIZED AGENCY CONTACT PERSON**

The Comptroller's exclusive Authorized Agency Contact Person for this procurement is:

Fannie Moy  
City of New York Office of the Comptroller  
The David Dinkins Municipal Building  
1 Centre Street, 8<sup>th</sup> Floor South  
New York, New York 10007-2341

Email: DevMarketsSearch@comptroller.nyc.gov

The Comptroller's Office shall not be bound by, and firms may not rely on, information regarding this process obtained from any other person. From the issue date of this Notice of Search until firms are selected, all contact with City employees concerning this Notice of Search must be cleared through the agency contact listed above.

**I. TIMETABLE**

**A. Release Date for this Notice of Search:** July 15, 2021

**B. Deadline for Submission of Written Questions:** July 23, 2021 by 3:00 PM EST.

Firms (or “Managers”) should submit questions as soon as they arise after receipt of this Notice of Search. Responses to questions (unidentified as to source) will be provided in writing as an Addendum to this Notice of Search and distributed by e-mail to all firms who downloaded the solicitation from the Comptroller's Website and/or posted on the Comptroller’s Website as appropriate. Only written responses from the Authorized Agency contact should be considered as the official response from the Comptroller. See Section V, Projected Timetable, for a full list of dates.

**C. Deadline to Submit Information to Database:** August 19, 2021 by 11:59 PM EST.

The Comptroller’s Office will consider requests made to the Authorized Agency Contact Person to extend the Submission Due Date and Time prescribed above. However, unless the Comptroller issues a written addendum to this Notice of Search

which extends the Submission Due Date and Time for all Managers, the Submission Due Date and Time prescribed above shall remain in effect.

## **II. INTRODUCTION AND INFORMATION ON THE SEARCH PROCESS**

### **A. Background**

The Comptroller of the City of New York (the “**Comptroller**”), acting on behalf of the New York City Retirement Systems, and specifically the Teachers’ Retirement System of the City of New York (“**TRS**”), the New York City Employees’ Retirement System (“**NYCERS**”), the New York City Police Pension Fund, Subchapter Two (“**Police**”), the New York City Fire Pension Fund, Subchapter Two (“**Fire**”), and the New York City Board of Education Retirement System (“**BERS**”) (collectively “**NYCRS**” or the “**Systems**”<sup>1</sup>), is conducting this search (this “**Search**”) to identify and select investment management firms, or a pool of investment management firms, to create and manage one or more Developed Markets ex USA Active public equity portfolios for the System(s).

The Board of Trustees of each of the Systems (each, a “**Board**” and collectively, the “**Boards**”), subject to applicable law, have exclusive control of all assets of its respective System. Each Board has full power to hold, purchase, sell, assign, transfer, or dispose of the respective System’s assets, including securities and other investments in which its funds have been invested, as well as the proceeds of such investments. Each Board has retained a general investment consultant (“Investment Consultant”)<sup>2</sup> to assist the respective Board in fulfilling its fiduciary duties with respect to the investment of the Systems’ assets.

As investment advisor and custodian for the Systems, the Comptroller’s asset management and custodian functions are executed by the Bureau of Asset Management (“**BAM**”) under the Comptroller’s Chief Investment Officer (“**CIO**”). The CIO supervises BAM’s development of investment policies, standards and investment guidelines (“Investment Guidelines”), and oversees BAM’s evaluation, selection and monitoring of investment managers.

The word “Comptroller” when used herein, shall also refer to the Comptroller’s Office and staff.

### **B. Search Process Overview**

The Comptroller’s Office is conducting this Search pursuant to section 3-15 of the Procurement Policy Board (“PPB”) Rules of the City of New York. This Search permits BAM and the Systems to review a broad universe of investment managers. Specifically, BAM and the Systems’ Investment Consultants will use industry databases to identify

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<sup>1</sup> There are ten (10) New York City Retirement Systems and related Funds that are government plans under IRC Section 414(d), consisting of NYCERS, TRS, Police, Fire, BERS, and five (5) Variable Supplements Funds. The Comptroller is one of the Trustees for each System except BERS. Any of these aforementioned Systems may select one or more investment management firms as a result of this Notice of Search.

<sup>2</sup> The Systems’ Investment Consultants are Callan LLC (NYCERS), Rocaton Investment Advisors (TRS), Wilshire Associates (Police), NEPC (Fire) and Segal Marco Advisors (BERS).

the universe of Developed ex USA equity investment management firms that the Systems could engage to provide investment management services.

The respective Investment Consultants for each participating System will independently review the information posted in the databases identified in this Notice of Search and provide a written report to the evaluation committee that identifies firms that meet the minimum requirements set forth in Section III (B) (“Minimum Requirements”) of this Notice.

Firms meeting the Minimum Requirements shall be further analyzed by each participating Investment Consultant based on quantitative and qualitative factors used for institutional investment management services searches. Such factors shall include, but are not limited to, investment philosophy, strategy and process; organizational stability, and expertise of staff; regulatory history as well as analysis of customary and appropriate historic and comparative investment portfolio performance metrics; and such other factors consistent with industry standards for institutional investment management services and the Systems’ investment policies and guidelines. Following this analysis, each Investment Consultant shall provide a written report describing the basis for its recommendations of qualified firms for further consideration by the Evaluation Committee. The Evaluation Committee will then evaluate the Shortlist (as defined below) of firms in accordance with the evaluation process and criteria set forth in Section IV of this Notice of Search.

### **C. Anticipated Term**

It is anticipated that any contract resulting from this Search will have an initial term of three (3) years with one or more renewal options, exercisable at the sole discretion of the Comptroller (acting on behalf of the Systems), for an aggregate of such renewal options not to exceed an additional six (6) years.

### **D. How to Participate in this Search**

To be considered, Firms **must** comply with the requirements (1) – (3) listed below:

1. All Firms shall carefully review this Notice of Search and the Minimum Requirements described in Section III(B) below. Interested Firms that meet the Minimum Requirements must enter their information in the following databases to be considered by each of the Investment Consultants. The Investment Consultants will review the databases and provide BAM with a written report identifying the Firms that meet the Minimum Requirements.
  - a. For Callan, Firms **must** submit their information directly to the Investment Consultant’s database (Callan LLC). Information on requirements for entering information into these databases can be found at <http://www.callan.com> (click on “Manager Questionnaire”). In addition, for Callan, managers are requested to email [nycers@callan.com](mailto:nycers@callan.com) to confirm (1)

their interest in this search and (2) for what specific product(s). In the subject line please use “Developed World ex-USA Equity Search”.

- b. For Wilshire, Firms **must** submit their information directly to the Investment Consultant’s database (Wilshire Compass). Information on requirements for entering information into these databases can be found at: [compassportal.wilshire.com](http://compassportal.wilshire.com). All inquiries to Wilshire are to be sent to [investmentsearch@wilshire.com](mailto:investmentsearch@wilshire.com).
  - c. For Rocaton, NEPC and Segal Marco Advisors, Firms **must** enter their information into eVestment Alliance’s database. Information on requirements for entering information into these databases can be found at <https://www.evestment.com> (click on “Submit My Data”).
2. All Firms **must** ensure that they completely identify their Firm and product information in the aforementioned databases. Additionally, firms must ensure that the information (such as organization, product, returns, portfolio characteristics and AUM data) is current and accurate as of June 30, 2021.
  3. There is no fee for entering information into the aforementioned databases. Firms are advised that information in the database may become part of any pool contract that results from this Search.
  4. Current and accurate data **must** be in the aforementioned databases by the deadline stated in Section I of this Notice of Search, at which time the respective Investment Consultant shall commence its review of the database.
  5. The Comptroller, acting on behalf of the Systems, reserves the right to remove any Firm from consideration that is determined by the Comptroller to have a conflict of interest in connection with the investment management services specified in this Search; Firms that are removed from consideration may be notified in writing.

### **III. SCOPE OF INVESTMENT MANAGEMENT SERVICES AND MINIMUM REQUIREMENTS**

#### **A. Scope of Services**

This Search is for active equity managers and their products covering long-only Developed ex USA Market equity products that can be benchmarked to any of the following indices or similar indices from other benchmark providers, including but not limited to S&P, FTSE-Russell, and Nasdaq:

- MSCI World ex USA or EAFE
- MSCI World ex USA Growth or EAFE Growth
- MSCI World ex USA Value or EAFE Value

- MSCI World ex USA or EAFE IMI
- MSCI World ex USA or EAFE IMI Growth
- MSCI World ex USA or EAFE IMI Value
- MSCI World ex USA or EAFE Small Cap
- MSCI World ex USA or EAFE Small Cap Growth
- MSCI World ex USA or EAFE Small Cap Value

Managers are expected to manage portfolios as separate accounts. For purposes of calculating fees, all assets of all Systems managed by the firm in the same asset class and style will be aggregated for determining breakpoints, etc.

The current overall portfolio benchmark is the MSCI World ex USA IMI. As of March 31, 2021, the Systems had approximately \$22.6 billion invested in Developed Markets ex USA Equity Active portfolios. Current manager allocations ranged from \$275 million to over \$6 billion. The total dollar amount to be allocated to managers selected through this Search has not been determined but is expected to be a similar amount.

All of the Systems' current active Developed Markets ex USA Equity managers must participate in this procurement process if they wish to be considered for award of a contract pursuant to this Search. The purpose of this Search is to identify highly qualified investment firms to manage Developed Markets ex USA Equity active strategies on behalf of the Systems. Managers will be required to execute their strategies consistent with the investment policies and asset allocation of the respective System.

In addition to selecting Managers that may receive an immediate allocation of assets, this Search may be used to select "pool" Managers that will be eligible to compete for future allocations to Developed Markets ex USA Equity strategies in the event the Systems and Comptroller determine there is need for new or additional Managers such as when a current manager is terminated. To be eligible to receive a subsequent allocation, each pool Manager must still meet the Minimum Requirements described in paragraph B of this Section III at the time of submission and at the time of any such subsequent allocation. Managers will not be permitted to increase their fee proposal in any subsequent selection from the pool.

Your participation in this process should not be impacted by the pool concept. The Comptroller, acting on behalf of the Systems, reserves the right not to implement the pool structure.

Each selected Manager will provide services as defined in this Search and as set forth in the resultant contract. The portfolios must adhere to Investment Guidelines issued by the Comptroller. The Systems' Developed Markets ex USA Equity portfolios must be fully invested at all times. Custody and securities lending are not included in this Search. Derivatives are not currently permitted.

All current Investment Guidelines and the benchmarks will be reviewed in conjunction with this Search. Changes to the Investment Guidelines and the use of additional benchmarks may be considered as part of this Search.

This Notice of Search does not obligate the Systems to award any contract(s) or to allocate assets to any firm.

Consistent with the policies expressed by the City of New York, participation by minority-owned and women-owned businesses or partnering arrangements with minority-owned and women-owned investment firms are encouraged. Additionally, participation by small and New York City-based businesses is also encouraged.

Investment managers are also advised that the Comptroller's Office, on behalf of the Systems, has implemented a minority- and women-owned brokerage initiative. As part of this initiative, the Comptroller's Office maintains a list of qualified brokerage firms. Subject to the investment manager's obligations to obtain best execution, the System's investment managers are expected to use firms on this list to execute trades for the Systems' portfolios. The Comptroller's Office also requires regular written reporting from Managers on their progress in achieving this goal.

### **Ethics and Compliance**

Although the Systems are not subject to the Employee Retirement Income Security Act of 1974 (ERISA), firms must also agree to perform as a fiduciary to the Systems, consistent with ERISA standards.

Selected firms will be required to comply with the NYCERS' Ethics and Compliance Policy (the "Policy"), attached hereto Exhibit 1.

The firm must provide written certification on a quarterly basis that the assets in the portfolio have been managed in accordance with the resulting contract and the Investment Guidelines. Should any issue be out of compliance, an explanation must be included with such written certification.

## **B. Minimum Requirements**

The Minimum Requirements for this Notice of Search are set forth below. Firms, strategies and products that do not meet the following Minimum Requirements will not be considered.

### **1. Investment Approach**

The proposed product must exhibit characteristics matching the criteria described below:

- a. Must be able to be benchmarked against a developed markets ex-USA index as described above in the “Scope of Search” section.
- b. Proposals for products that include the following will be considered non-responsive:
  - Products utilizing leverage
  - Products based on derivative strategies
  - Products based on Exchange Traded Funds (ETFs)

## **2. Performance Track Record**

As of June 30, 2021, at a minimum, the recommended product must:

- a. Have, at a minimum, a three-year live track record. It is preferred that the return composite is calculated in accordance with CFA Institute Global Investment Performance Standards (“GIPS”)-required methodologies or other appropriate methodologies. Note that GIPS-required methodologies refer to both the calculation of returns and the creation and maintenance of the composite.
- b. Have a minimum product AUM of \$250 million.
- c. Proposers may link track records from two firms if they meet CFA Institute standards for portability.

## **3. Regulatory Minimum Requirements**

Firms must demonstrate that as of June 30, 2021 the firm is:

- a. A registered investment adviser under the Investment Advisers Act of 1940;  
or
- b. a bank.

**OR**

If the firm is a non-U.S. entity that is not required to be registered under the Investment Advisers Act of 1940, the firm must demonstrate that it is registered with the appropriate local regulatory authority (e.g., Financial Services Authority), as applicable.

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## **IV. EVALUATION PROCESS AND CONTRACT AWARD PROCEDURES**

### **A. Evaluation Process**

The process and criteria used to award a contract pursuant to this Notice of Search is set forth below.

1. An Evaluation Committee, consisting of BAM staff of no fewer than three persons with knowledge, expertise, and experience sufficient to make a fair and reasonable evaluation, will be established and will review those firms that received multiple recommendations from the respective Investment Consultants (“Shortlist”).
2. Once established, firms on the Shortlist will be contacted in writing by the Agency Chief Contracting Officer (or his/her designee) to request the firm’s written confirmation of interest in participating in the Search. **Any Investment Manager who does not provide written confirmation within the time period established (which shall be a time period not less than 10 calendar days) shall be removed from the Shortlist of Investment Managers and shall no longer be considered for this contracting opportunity.**
3. Once confirmations have been received, the Evaluation Committee will request Investment Management Firms on the Shortlist of Investment Managers submit the following information and documentation consistent with the evaluation criteria in the Notice of Search:
  - a. **Fully Completed Due Diligence Questionnaire**
  - b. **Most Recently Filed Form ADV, Parts 1 and 2 (2A & 2B)**
  - c. **(Doing Business Form, Placement Agent Fee Certificate Form**
4. The Evaluation Committee will then evaluate the Shortlist of Firms in accordance with the evaluation process described herein using the criteria set forth in paragraph (B) of this Section IV.

All of the information listed above shall be evaluated in accordance with the evaluation criteria specified in paragraph (B) of this Section IV.

The Comptroller reserves the right to conduct additional in-depth reviews, which may include site visits, in-person and/or telephone/video/virtual interviews, best and final fee offers, and the review of other relevant information.

5. The Evaluation Committee shall, based on its technical ratings, refine the Shortlist to create a Finalist List from which to solicit written price proposals in the form of an initial fee proposal. The Finalist List may include some or all of those investment managers on the Short List.

6. The Comptroller's Office will rank investment managers by technical merit. In considering price, the price offered will be ranked from lowest to highest price in accordance with the investment managers' technical score. Using this combination, BAM will attempt to negotiate a fair and reasonable price with one or more investment managers whose product(s) is determined to be most advantageous to the System(s) taking into consideration the price, portfolio optimization and such other factors or criteria as set forth in this Search and recommended to the Board(s) for consideration.

Firms may be asked to provide written clarifications or additional information regarding their proposal(s) at any time during the evaluation process. Firms may be requested to make a presentation before each Board.

Any of the Systems may select one or more investment managers through this Search process.

The Comptroller's Office will seek to negotiate contract(s) with firm(s) selected by the Boards. Should any contract negotiations fail to result in agreement within two weeks of their commencement, the Comptroller may terminate negotiations. The Boards may select another qualified firm or take other action consistent with criteria detailed in this Notice of Search.

## **B. Proposal Evaluation Criteria**

The specific criteria and relative weight of each criterion or category of criteria that will be used by the Evaluation Committee to evaluate Firms is set forth below:

### **1. Organizational Characteristics 40 percent**

- a. Organizational structure and stability
- b. Team structure and stability
- c. Client service
- d. Operations
- e. Nature and size of assets managed
- f. Ethics, compliance, litigation, and conflicts of interest
- g. Diversity of team and organization

### **2. Investment Management and Decision-Making 60 percent**

- a. Philosophy and investment process
- b. Research resources, processes, and capabilities
- c. Trading capabilities
- d. Risk management
- e. Performance relative to risk taken to achieve returns
- f. Portfolio return attribution
- g. Portfolio characteristics and related data

**Note:** All information submitted in the proposal is subject to verification by the Systems' Investment Consultants and the Comptroller's staff.

### **C. Contract Award**

Contract award(s), if any, shall only be made to responsible Investment Manager(s) whose product(s) are determined to be the most advantageous to the Systems, taking into consideration the price, portfolio optimization and such other factors and/or criteria that are set forth in this Notice of Search.

## **V. PROJECTED TIMETABLE**

The following is the estimated timetable for the award of contract(s) resulting from this Notice of Search:

<u>Event</u>	<u>Date</u>
Release Notice of Search	July 15, 2021
Deadline to Submit Questions	July 23, 2021 by 3:00 PM EST
Response to Questions Submitted	As Soon as Possible
Deadline to Submit Information to Database	August 19, 2021 by 11:59 PM EST
Evaluation/Interviews/Selections	August 2021 to February 2022
Contract Funding & Start	Calendar 2022

## **VI. GENERAL SERVICE REQUIREMENTS**

### **A. Meetings**

The Bureau of Asset Management will schedule periodic meetings in New York City (approximately twice yearly) to review the portfolio holdings, performance and organization. In addition, firms may be requested to make presentations to the Boards in New York City. The firms should be available for annual on-site visits by BAM and/or the Investment Consultants as well as discussions with respect to the portfolio at such times as the CIO or Boards may require. Costs to attend such meetings are to be borne by the firm at its own expense.

### **B. Reports**

Firms will be required to provide monthly, quarterly and annual portfolio reports as well as such other reports as may be requested by the Comptroller. Reports must be provided within the timeframes specified by the Comptroller. In addition to the portfolio reports, the annual audit must be submitted by an external CPA with a management audit opinion letter on internal control procedures.

### **C. Corporate Actions**

The Comptroller and the Systems are active participants in proxy issues for corporate actions which require shareholder proxy voting. The Manager is not responsible for casting votes on proxy issues. However, corporate actions, other than those effectuated via a proxy vote, shall be handled by managers.

### **D. Research Assistance**

From time to time the Comptroller and the Systems conduct various research projects. Research may also include such items as custodial issues, proxy voting, tax treatment by country, benchmark analysis, etc.

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## **VII. GENERAL INFORMATION**

- A. Time of Payments.** Fee payments will be made quarterly in arrears upon submission and review of an invoice based on the daily net asset values of securities at the close of each business day as determined by the Systems' custodian bank.
- B. Amendments to this Notice.** Any substantial clarification or change to this Search shall be by written amendment and shall be provided to all firms that were sent a copy of this Notice or that downloaded a copy from the Comptroller's website. It is the firm's responsibility to assure receipt of all addenda.
- C. Disclosure.** Firms shall disclose developments that may materially affect its ability to perform the services requested in this Notice of Search or to fulfill its obligations under a contract that results from this Search.
- D. Work Products.** Materials and working papers developed during the engagement will become the property of the City of New York and/or the System(s). All original information and all data files derived from the custody services provided to the Comptroller, if applicable, will be the property of the Comptroller and/or the System(s).
- E. Allocation Procedures.**
1. The contract will incorporate business terms included in this Notice of Search and additional City requirements delineated in this Notice. After all required City contract procurement requirements have been met, assets, which may be in the form of cash or securities, will be allocated to the firm.
  2. A manager shall invest allocated funds within the Investment Guidelines developed by BAM in consultation with the manager at the time funds are allocated to a manager, and as such guidelines may be amended from time to time thereafter. Timing of the initial portfolio purchases should be discussed with the BAM CIO (or designee of the BAM CIO) at the time of account funding.
  3. Additions or reductions in assets under management by a firm shall be at the discretion of the Comptroller, but shall be timed to minimize the impact on the performance measurement process.
  4. The Comptroller reserves the right to re-allocate assets assigned to, or withdraw assets from, a firm without fee or penalty.
- F. Complaints.** The New York City Comptroller is charged with the audit of contracts in New York City. Any firm that believes that there has been unfairness, favoritism or impropriety in the proposal process should inform the Comptroller, Bureau of Contract Administration, The David Dinkins Municipal Building, 1 Centre Street, Room 727, New York, NY 10007. The telephone number is (212) 669-2323.

- G. Applicable Laws.** Unless otherwise stated, this Notice of Search and the resulting contract award(s), if any, are subject to all applicable provisions of New York State Law, the New York City Administrative Code, New York City Charter and New York City PPB Rules. A copy of the PPB Rules may be obtained by contacting the PPB at (212) 788- 0010 or at: <http://www.nyc.gov/html/mocs/ppb/html/home/home.shtml>.
- H. No Gift” Policy.** The New York City Charter, Chapter 68, Section 2604(b)(5), provides that “[n]o public servant shall accept any valuable gift, as defined by rule of the board, from any person or firm which such public servant knows is or intends to become engaged in business dealings with the city, except that nothing contained herein shall prohibit a public servant from accepting a gift which is customary on family or social occasions.” Pursuant to opinions from the New York City Conflicts of Interest Board, for purposes of Chapter 68 and the Conflicts of Interest Board Rules, all trustees of the Systems and their representatives or delegates are considered “public servants.” Further, the Comptroller has adopted a “No Gift” policy for all employees of the Comptroller’s Office.
- I. Schedule of Contacts.** Firms are advised that the Comptroller’s Office, together with NYCERS, Teachers and BERS, have adopted a policy whereby managers and consultants must provide a schedule of all contacts with any employee of the Comptroller’s Office, a Trustee of NYCERS, TRS or BERS or his or her representative or delegate. Contacts are defined as any form of in-person association or meeting made for the purpose of solicitation of the System(s) as a potential client or the retention of the System(s) as an existing client.
- J. Placement Agent Fee Disclosure Certificate for Investment Managers.** Each of the NYC Systems has prohibited the use of Placement Agents in connection with alternative investments by the NYC System. Accordingly, the NYC Systems will not invest with any fund that uses a Placement Agent to secure a commitment by any of the NYC Systems. In addition, the fund manager shall disclose in writing all fees, bonuses and other compensation paid or promised, or benefit of any kind given or promised (collectively “Benefit”) by or on behalf of the fund manager, to any Placement Agent or to any other entity, including the NYC Systems’ investment consultants, for the purpose, or with the effect, of assisting the fund manager in obtaining business with the NYC Systems or obtaining a favorable investment recommendation.
- K. General Contract Provisions.** Contracts shall be subject to New York City’s general contract provisions, in substantially the form that they appear in “Appendix A—General Provisions Governing Contracts for Consultants, Professional and Technical Services” or, if the Comptroller’s Office utilizes other than the formal Appendix A, in substantially the form that they appear in the Comptroller’s general contract provision. A copy of Appendix A will be made

available to firms during the Search process.

- L. Contract Award.** Contract award is subject to each of the following applicable conditions and any others that may apply: New York City Fair Share Criteria; New York City MacBride Principles Law; submission by the vendor of the requisite PASSPort/VENDEX Questionnaires/Affidavits of No Change and review of the information contained therein by the New York City Department of Investigation; all other required oversight approvals; applicable provisions of federal, state and local laws and executive orders requiring affirmative action and equal employment opportunity; and Section 6-108.1 of the New York City Administrative Code relating to the Local Based Enterprises program and its implementation rules.
- M. Appeal Rights.** Pursuant to the PPB Rules, firms have the right to protest an agency's determination regarding the Notice of Search or award of a contract.
- N. Multi-Year Contracts.** Multi-year contracts are subject to modification or cancellation if adequate funds are not appropriated to support continuation of performance in any City fiscal year succeeding the first fiscal year and/or if the contractor's performance is not satisfactory. The Comptroller's Office will notify the contractor as soon as is practicable that the funds are, or are not, available for the continuation of the multi- year contract for each succeeding City fiscal year. In the event of cancellation, the contractor will be reimbursed for those costs, if any, which are so provided for in the contract.
- O. Prompt Payment Policy.** Pursuant to the City's PPB Rules, it is the policy of the Comptroller's Office to process contract payments efficiently and expeditiously.
- P. Prices Irrevocable.** Prices shall be irrevocable until contract award. This shall not limit the discretion of the Comptroller's Office to request firms to revise proposed prices through the submission of best and final offers and/or the conduct of negotiations.
- Q. Confidential, Proprietary Information or Trade Secrets.** Firms should give specific attention to the identification of any information that they deem to be confidential, proprietary information or trade secrets and provide any justification of why such materials, upon request, should not be disclosed by the City. Such information must be easily separable from the non-confidential sections of what is provided to the Comptroller's Office. All information not so identified may be disclosed by the City. The Comptroller's Office will attempt to keep such information confidential, but no assurances can be given.
- R. Postponement/Cancellation.** The Comptroller's Office reserves the right to postpone or cancel this Notice of Search, in whole or in part.
- S. Costs.** Firms will not be reimbursed for any costs incurred to participate in this Notice of Search or for any work performed in connection therewith, or during

any negotiations on proposed contracts.

- T. Notice of Search May Not Result in Award.** This Notice of Search does not commit the Comptroller's Office or the Systems to award a contract or to engage any firm to perform services of any kind.
- U. Charter §312(a) Certification (i.e. Local Law 35).** The Comptroller has determined that the contract(s) to be awarded through this Notice of Search will not directly result in the displacement of any New York City employee.
- V. Compliance with Local Law 34 of 2007.** Pursuant to Local Law 34 of 2007, amending the City's Campaign Finance Law, the City is required to establish a computerized database containing the names of any "person" that has "business dealings with the City" as such terms are defined in the Local Law. In order for the City to obtain necessary information to establish the required database, managers that are under consideration for hiring by the Systems will be required to complete a Doing Business Data Form.
- W. VENDEX /PASSPort Fees.** Pursuant to section 2-08(f)(2) of the PPB Rules, the contractor(s) will be charged a fee for the administration of the PASSPort system, including the Vendor Name Check process, if a Vendor Name Check review is required to be conducted by the Department of Investigation. The contractor shall also be required to pay the applicable required fees for any of its subcontractors for which Vendor Name Check reviews are required. The fee(s) will be deducted from payments made to the contractor under the contract. For contracts with an estimated value of less than or equal to \$1,000,000, the fee will be \$175. For contracts with an estimated value of greater than \$1,000,000, the fee will be \$350. The estimated value for each contract resulting from this solicitation is estimated to be above \$1 million.
- X. Whistleblower Protection Expansion Act Rider.** Local Law Nos. 30 and 33 of 2012, codified at sections 6-132 and 12-113 of the New York City Administrative Code, the Whistleblower Protection Expansion Act, protect employees of certain City contractors from adverse personnel action based on whistleblower activity relating to a City contract and require contractors to post a notice informing employees of their rights. A copy of the Whistleblower Protection Expansion Act Rider will be provided to firms during the Search process.
- Y. Compliance with the Iran Divestment Act.** Pursuant to State Finance Law Section 165a and General Municipal Law Section 103-g, the City is prohibited from entering into contracts with persons engaged in investment activities in the energy sector of Iran. A contractor is required to complete a Bidders Certification of Compliance with the Iran Divestment Act, certifying that it is not on a list of entities engaged in investments activities in Iran created by the Commissioner of the NYS Office of General Services. If a contractor appears on that list, the Comptroller's Office will be able to award a contract to such contractor only in

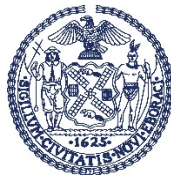


situations where the contractor is taking steps to cease its investments in Iran or where the contractor is a necessary sole source. Please refer to <https://ogs.ny.gov/iran-divestment-act-2012> for additional information concerning the list of entities.

- Z. Tax Affirmation Form.** Each firm responding to this Notice of Search will be required to complete and submit a “Tax Affirmation Form” to the Comptroller’s Office.
- AA. Subcontractor Tracking Notice.** The Firm will be required to identify all subcontractors in order to obtain subcontractor approval pursuant to section 4-13 of the PPB Rules, and may also be required to enter all subcontractor payment information and other related information in the City’s Payee Information Portal (<https://a127-pip.nyc.gov/webapp/PRDPCW/SelfService>) during the contract term. A copy of a Subcontractor Tracking Notice as it relates to competitive solicitations will be provided to firms during the search process.

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EXHIBIT 1  
ETHICS AND COMPLIANCE POLICY



CITY OF NEW YORK  
**OFFICE OF THE COMPTROLLER**  
SCOTT M. STRINGER

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## New York City Retirement Systems Ethics and Compliance Policy

### PURPOSE OF THE POLICY

The Teachers' Retirement System for the City of New York, the New York City Police Pension Fund and the New York City Fire Pension Fund, the New York City Employees' Retirement System ("NYCERS") and the New York City Board of Education Retirement System ("BERS") (collectively the "Systems"), in furtherance of the management and investment of the assets of the Systems, have determined to establish a comprehensive written Ethics and Compliance Policy (the "Policy") for investment consultants (the "Consultants") and investment managers (the "Managers") that do or seek to do business with the Systems. The Boards of Trustees of the Systems (the "Boards") have requested that the Bureau of Asset Management ("BAM") of the New York City Office of the Comptroller implement the Policy on behalf of the Systems.

The purposes of the Policy are:

- to identify and ensure disclosure of any potential risk, conflicts of interest and/or other ethical issues both before and after entering into contracts or transactions with the Consultants' and the Managers' firms;
- to ensure that proper internal compliance controls are in effect at the Consultants' and Managers' firms, so as to reduce the risk to the Systems;
- to provide a protocol for ensuring that Consultants and Managers are in compliance with the federal securities laws and the rules of the U.S. Securities and Exchange Commission ("SEC"), and other applicable law;
- to obtain timely disclosure from the Consultants and the Managers as to actual or alleged non-compliance with the Consultants' and the Managers' internal controls or with applicable law.

A Consultant or Manager which discloses a conflict of interest or other violation of this Policy to BAM must refrain from giving advice or making decisions about any matters affected by the conflict of interest or other violation of this Policy, until and unless authorized by the Boards.

### ANNUAL CERTIFICATION OBLIGATION OF CONSULTANTS AND MANAGERS

Annually, Consultants and Managers shall complete and submit an Annual Certification, Compliance Questionnaire, and relevant documents (collectively, the "Annual Statement") to BAM.



Consultants and Managers, in their Annual Statements, must further disclose all information specified in sub-sections A and B below. Although the firm's Form ADV or other SEC filings may be provided as a supplement, the firm must make full and complete disclosure in the Compliance Questionnaire itself (and provide further explanation in a separate document if necessary).

## **A. Conflicts**

A conflict of interest exists for a Consultant or Manager whenever the Consultant or Manager has a direct or indirect pecuniary interest or a relationship with a third party (without regard to whether the relationship is direct, indirect, personal, private, commercial, or business), and the interest or relationship could diminish the Consultant's or the Manager's independence of judgment in the performance of the Consultant's or the Manager's responsibilities to the Systems.

Consultants and Managers must promptly disclose conflicts of interest which may also include: relational conflicts, compensation conflicts and conflicts relating to the Systems' other Advisors.

## **B. Compliance with Law**

Managers and Consultants, as applicable, shall further certify compliance with, and provide any disclosures required by, the following:

### *1. Managers/Consultants Must Have a Code of Ethics*

Every Manager/Consultant must have a robust Code of Ethics that satisfies the requirements of Rule 204A-1 under the Investment Advisers Act, regardless of whether the Manager/Consultant is required to register under that Act.

### *2. Managers/Consultants Must Have Third-Party Review of Controls*

The Systems require that the Managers and Consultants conduct a third-party review of their compliance program for sufficiency and effectiveness. Each Manager/Consultant must certify that it has a periodic review of its Compliance manual and compliance controls by an independent third-party at least once every three years. The periodic review should mirror that under Rule 206(4)-7 of the Investment Advisers Act of 1940. Internal review by the General Counsel, Chief Compliance Officer, or similar official of the firm or any of its Affiliates does not qualify as an independent review.

Note: For the purpose of this Policy, the term "Affiliate" is defined as any person that controls, is under common control with, or is controlled by the Manager. The term "control" is defined as the power to direct or cause the direction of the management and policies of the applicable entity through ownership of voting securities or beneficial interests, by contract or otherwise. Persons or entities having control include any Manager, managing member, manager or executive officer of the applicable entity, and any direct or indirect holder of a 10% or greater ownership interest in the Manager, or such applicable entity. An Affiliate includes a parent, subsidiary, debtor, creditor, entity under common ownership, entity in which the Manager/Consultant has invested or which has an investment in the Manager/Consultant or entity with which the Manager/Consultant has a strategic alliance.

### *3. Managers/Consultants Must Provide Updates on Government Investigations and Enforcement Actions*

Managers/Consultants must, unless prohibited by law, promptly notify BAM in detail with



respect to the commencement of, status of, or significant developments in, any government investigation of the Manager/Consultant or its employees in connection with any potential violations of applicable laws, or any enforcement action in connection therewith.

4. *Managers/Consultants Must Complete NYC Disclosure Requirements*

Manager/Consultant must submit to the Comptroller's Office completed due diligence related disclosure forms prior to consideration of the investment manager's fund by the Systems.

## NON-COMPLIANCE WITH THE POLICY: BOARD REPORTING REQUIREMENTS

To the extent BAM receives or obtains information indicating that a proposed or existing Manager/Consultant is substantially out of compliance with the Policy and/or substantially in violation of applicable law, BAM will report such information to the Board for whatever action the Board deems appropriate, which may include termination of the Manager/Consultant.

## DISSEMINATION OF THE POLICY TO MANAGER/CONSULTANT

1. Current Manager/Consultant: BAM shall provide copies of the Policy to all current Managers/Consultants annually and upon any amendment passed by the Boards that affects Managers/Consultants.
2. Prospective and New Manager/Consultant: Manager/Consultant seeking to do business with the Systems will be required to certify compliance with the Policy, and provide the disclosures required by the Policy, at the time they submit their response to a Request for Proposals ("RFP") or, in the event that there is no RFP process, during the selection process.

Adopted: Effective May 2005

Amended: Effective October 2019

