

RESPONSES TO BIDDER QUESTIONS

1. Is the incumbent law firm expected to submit a proposal?

Ans: The incumbent law firm is allowed to submit a proposal.

2. What are the current rate(s) being paid to or charged by the incumbent law firm(s), broken down by partners/shareholders, associates, paralegals, law clerks, and administrative staff (if such breakdowns are available)?

Ans:

Official Job Title in Incumbent Firm	Hourly Rate
Partner	\$330.09
Partner	\$320.25
Actuary	\$320.25
Of Counsel	\$282.22
Of Counsel	\$243.96
Partner	\$206.93
Paralegal	\$162.59
Paralegal	\$162.59

3. On average, how many hours of legal services does the System anticipate needing or using each month?

Ans: IPERS cannot provide an answer on an hourly basis to this question. Monthly invoices reflect hours spent and other allowable costs to meet the present contract deliverables. However, the hours spent typically reflect the hours spent among those of the incumbent's employees referenced in IPERS' response to Question #2. IPERS suggests that bidders should generally consider the annual expenditures listed in response to this question, the requested deliverables, and the bidder's previous experience with similar large public pension plans.

IPERS budgets for the provision of outside general legal services on an annual basis. Typically, the beginning amount of the budget is about \$40,000 depending upon what IPERS can foresee as the need for outside general legal services for the fiscal year. IPERS does upward and downward budget adjustments during the fiscal year based upon the continuing assessment for the ongoing need for legal services for the remainder of the fiscal year.

IPERS' fiscal year begins July 1 and ends on June 30 of each numbered year. Data for the present fiscal year, FY2010, is as of June 4, 2010.

FY2010: \$60,814

FY2009: \$53,047

FY2008: \$36,917

It is important to note that deliverables pertaining to the investment counsel deliverables are new services requested by IPERS. IPERS is unable to predict the amount of services/hours that will be required. Outside investment counsel services have been listed in the RFP as being on an as-needed basis. Currently, in-house counsel primarily has provided the deliverables in the RFP and in-house counsel will continue to review contracts for standard public market investment advisors. The new deliverables will serve as additional resources to in-house counsel on standard investment contracts and will have a more active role as IPERS explores alternative investment vehicles.

4. Will the System consider joint proposals (e.g., proposals jointly submitted by two law firms)?

Ans: No.

5. Are there any problems or issues with the services provided by the incumbent legal service provider(s)? If so, what are the problems or issues?

Ans: No.

6. On an annual basis, what are the fees for legal services that have been paid to the System's current legal service provider(s) for the last three (3) fiscal years and do these fees cover the same services in the current RFP?

Ans: Refer to the response to Question #3.

7. How many hours of legal services has the incumbent legal service provider provided each year for the last three (3) fiscal years?

Ans: Refer to the response to Question #3.

8. Section 4.1.3 (for General Services) and Section 4.2.1 (for Investment Services) read as follows:

"Bidder must have a minimum of five (5) years of experience representing at least three (3) public pension systems that each have total assets that equal or exceed \$1 billion as of March 31, 2010."

Our firm currently represents five public pension funds with assets over \$1 billion, and one of the relationships with such funds has been in existence for more than five years. However, we do not have a five-year relationship with each fund over \$1 billion...just the one. In addition, the attorney who has the relationship with the \$1 billion+ fund that spans five years has not been with [our firm] for the entire five years.

Our questions as to 4.1.3 and 4.2.1:

- a. Does the five-year requirement under Section 4.1.3 and 4.2.1 apply collectively to \$1 billion funds or does it apply on a fund-by-fund basis? In other words, would our firm satisfy the requirement with just the one five-year relationship, as long as we currently represent three or more public pension funds with at least \$1 billion in assets? Or must we have the five-year relationship with each of the three required funds?

Ans: The bidder must have a minimum of 5 years of experience representing 3 public pension systems in which each system has a total asset value that equals or exceeds \$1 billion. A bidder cannot aggregate the asset value of several public pension systems to meet the minimum requirement. Each of the 3 public pension funds must have an asset value of \$1 billion, and there must be 5 years of representation for each.

- b. Does the requirement for five-year relationship with the \$1 billion fund have to be satisfied on a firm basis or can the requirement be satisfied on an individual attorney basis, provided that attorney is on the team that will provide legal services to IPERS?

Ans: If the bidder is the firm, then the firm must meet the minimum requirement.

9. We also have a question with respect to the minimum qualification under Sections 4.1.7 (for General Services) and 4.2.3 (for Investment Services), which require the Bidder to agree to be a fiduciary to IPERS. Can you confirm that any agreement made by our firm that is a fiduciary is limited to any fiduciary functions that our firm actually performs?

Ans: In IPERS' opinion, the attorney-client relationship is a fiduciary one. Thus, we are not able to define functions that would not be fiduciary functions under the proposed contracts.