

REQUEST FOR PROPOSAL

STRATEGIC PARTNER(S) - PRIVATE CORPORATE DEBT

RFP # I-2017- 4

Issued May 5, 2017

Iowa Public Employees' Retirement System

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PART 1

PURPOSE, DEFINITION OF PRODUCT, MINIMUM REQUIREMENTS, AND SCOPE OF SERVICES

A. PURPOSE

1. The main purpose of this Request for Proposal (“RFP”) is to evaluate prospective investment management firms to be a strategic partner for the management of private corporate debt investments on behalf of the Iowa Public Employees’ Retirement System (“IPERS”).
2. IPERS seeks to hire one or possibly two firms (each a “Manager”) to each manage approximately \$250,000,000 in a separately managed account (SMA) or fund-of-one arrangement according to investment guidelines mutually agreed upon by IPERS and the Manager. This mandate does not include investment in private real estate debt. IPERS reserves the right to select one or more Managers for the mandate, or to decide not to invest with any Manager. The Manager will have full discretion to manage their account consistent with IPERS’ Investment Policy & Goal Statement and the terms of the contract between IPERS and the Manager.
3. The selection process for this mandate will be conducted in three phases. Phase 1 (currently being commenced via this RFP #I-2017-4) will consist primarily of the collection of quantitative and certain qualitative information from potential Managers. This information will be evaluated to obtain a group of the highest scoring Managers that will then advance to Phase 2. In Phase 2, the remaining potential Managers will be notified and be required to submit additional detailed information concerning their respective investment strategies, portfolio construction and risk management processes and fees, as well as other aspects of the Product or firm. An evaluation committee will evaluate the responses received in Phase 2 and determine which Managers should be selected to participate in the final due diligence, Phase 3. The final due diligence (including on-site visits) will be conducted to evaluate the potential Managers’ operations, stability, and ability to work with IPERS. IPERS reserves the right to modify this process as necessary. Notices of intent to award will be issued after the completion of Phase 3. Even if a notice of intent to award has been issued, a proposal may be rejected in IPERS’ sole discretion if the bidder and IPERS cannot agree on contract terms and conditions.
4. Any firm that meets the minimum requirements of this RFP is encouraged to submit a proposal by following instructions set forth in Part 2.A below. The RFP is available electronically on the IPERS website, www.ipers.org, and on the State of Iowa website, www.iowa.gov, as well as on IPERS’ general consultant’s (Wilshire Associates), website, <http://wilshire.com/investment-consulting/manager-research/manager-search>.

B. DEFINITION OF PRODUCT

The “Product” is defined as a separately managed account or fund of one in which the Manager has full discretion to actively invest across the spectrum of private credit investment strategies. The Product will engage in direct lending to corporate borrowers, primarily in senior secured corporate credits, but may also invest in other debt instruments such as term loans and asset-based loans

including, but not limited to, receivables, purchase order, inventory and equipment financing. In addition, the Product may include opportunistic investments within non-publicly traded corporate debt instruments such as, but not limited to, subordinated debt. The Product will not invest in "distressed debt" strategies or CLOs or CDOs.

The Product benchmark will be the S&P/LSTA Leverage Loan Index plus 100 bps, net of all fees. Leverage up to 1.25x the original commitment may be allowed in the strategic partnership.

The Product will only invest in credit of companies located in developed countries and will not invest in emerging markets. IPERS currently anticipates the following constraints and limitations will apply based on aggregate commitments:

- Minimum U.S. private credit exposure of 50%
- 10% maximum exposure to a single borrower or sponsor
- 10% maximum exposure to a single sector/industry
- 20% maximum exposure to opportunistic investments
- 30% maximum allocation to secondaries

C. MINIMUM REQUIREMENTS

To be considered as a Manager for the purpose stated above, firms submitting proposals must meet the following minimum requirements:

1. The firm must be registered as an investment adviser under the Investment Advisers Act of 1940, or provide proof of bank exemption.
2. The firm managing the Product must have at least \$500,000,000 in assets under management in private corporate debt strategies consistent with the description of the Product as of March 31, 2017.
3. The firm managing the Product must have invested at least \$500,000,000 since inception in 1st-lien senior secured debt across private U.S. and non-U.S. companies on behalf of one or more predecessor fund(s) or separately managed accounts as of March 31, 2017.
4. The firm must be able to demonstrate a verifiable minimum 5-year track record of managing private corporate debt strategies in the Product's style as of March 31, 2017.
5. The firm must be willing and have the ability to manage the Product mandate in a separately managed account or fund-of-one account structure on behalf of IPERS.

D. SCOPE OF SERVICES

The Manager will be required to provide the following scope of services to IPERS:

1. Invest allocated funds in conformity with the investment policy and guidelines of the System, as defined in the contract established between IPERS and the firm.
2. Provide periodic reports and information relating to the Product's investment strategy and other pertinent information pertaining to the investment of the System's funds, as requested

- by IPERS. Provide quarterly reports on valuations, investments and performance evaluation.
3. Participate in public meetings as required to provide information to the System concerning the investment performance of IPERS' portfolio and the firm's investment strategy for IPERS' portfolio.
 4. Maintain a good working relationship with IPERS staff by providing timely information regarding material changes in the firm's organizational structure, staffing, investment philosophies, and any other pertinent information IPERS staff may require in evaluating the performance of the portfolio.

The scope of services defined in the final contract between IPERS and the Manager will be binding and will supersede this section of the RFP if different from the scope of services defined here.

**PART 2
ADMINISTRATIVE INFORMATION**

A. INSTRUCTIONS FOR SUBMITTING PROPOSALS

1. Managers responding to this RFP must provide answers to the questions posed in Part 3 of this RFP. All proposals must be complete in every respect and must answer concisely and clearly all questions proposed by the RFP. Late proposals will not be considered.
2. Proposals shall be submitted with a cover letter stating in the affirmative that the **firm meets each and all of the minimum requirements listed in Part 1.C of this RFP**, that the firm's proposal is binding for 180 days from the date of the proposal, and that the firm is able and willing to provide the type and level of services required to fulfill the mandate proposed in this RFP. The cover letter and the offer made by the proposal, and any clarifications to that proposal shall be signed by an officer of the offering firm or a designated agent empowered to bind the firm in a contract. The cover letter must also identify any sections of the proposal that the firm is identifying as confidential (see Disclosure of Proposal Content below).
3. Proposals should follow the order of questions as asked in Part 3 of this RFP. In response to each question asked in Part 3, restate the **main** question (denoted by a number or a letter) in bold font followed by your answers stated in regular font. Responses should be thorough and answer the specific question asked (including the issues addressed in the bullet points following a question).

The RFP consists of two parts – this document and an Excel file that contains various charts and worksheets (under tabs marked to correspond to specific questions in this RFP) that must be completed by the firm submitting its proposal. The various worksheets within the Attachment will be referenced throughout the RFP as Exhibits supporting your written responses.

4. Supporting material must be clearly referenced to the applicable question posed in Part 3. Information and materials which are strictly promotional in nature should not be used. The submission of such material may serve to disqualify the firm from further consideration.
5. Communication regarding this RFP or the firm's proposal shall only be made to the RFP Coordinator, and firms should not discuss the RFP or their proposal with other IPERS staff, Board members, or IPERS' consultant. Firms will be given the opportunity to submit written requests for clarification of questions or terms contained in the RFP. In all cases, verbal communications will not override written communications.
6. IPERS reserves the right to amend this RFP at any time. In the event it becomes necessary to amend the RFP, all firms that were provided with the original RFP and those firms that responded to the original RFP will be provided with the amendment. In addition, the amendment will be posted in the same manner as provided in Part 1.A of this RFP. A firm's response to this RFP must include an acknowledgement of all such amendments.
7. **Proposals must be received by the RFP Coordinator at IPERS no later than 3:00 p.m. CST, June 2, 2017.**
8. A firm must submit its proposal **only** as an electronic file in Zip format via email to investments@ipers.org. The email should be clearly marked with the subject "RFP # I-2017-4

Submission.” If the file is greater than 10.0 MB in size, break up your firm’s submission into two or more files so that no single file is greater than 10.0 MB in size. Firms that submit proposals that do not meet the minimum requirements will be so notified.

9. The RFP coordinator is:

Patrick Reinhardt
Iowa Public Employees’ Retirement System
7401 Register Drive
Des Moines, IA 50321
Phone: (515) 281-0030
Email: investments@ipers.org

B. REJECTION OF PROPOSALS

1. Firms responding to this RFP must restrict their proposed investment structure to that specified in this RFP. Proposals offering alternate or substitute structures will be treated as not meeting the RFP’s minimum requirements and will be rejected.
2. IPERS reserves the right to reject without penalty any or all proposals in whole or in part received by this request, due to noncompliance with the requirements of this RFP or for any other reason. Issuance of this RFP in no way constitutes a commitment by IPERS to award a contract or to enter into a contract with a successful bidder. IPERS further reserves the right to cancel this RFP, to issue a new RFP, or to award a contract in whole or in part if deemed in the best interest of IPERS. The RFP and the RFP process are for the sole benefit of IPERS and its members. IPERS will not pay for any information herein requested, nor is it liable for any costs incurred by the submitting Managers.
3. After evaluation of the proposals, selection, and approval by IPERS, all firms that submitted proposals will be notified of the successful firm or firms.
4. IPERS reserves the right to not hire or to defer the hiring of a firm for these management services.

C. DISCLOSURE OF PROPOSAL CONTENT

The laws of Iowa require that the content of bidders’ proposals be maintained in confidence prior to the issuance of a notice of intent to award a contract. If IPERS issues a notice of intent to award a contract at the conclusion of the selection process, the contents of all proposals, excluding confidential information, will be placed in the public domain and open to inspection by interested parties. Trade secrets or proprietary information that are recognized as such and protected by law may be withheld, but only if designation of such sections is stated in proposing firms’ cover letters and confidential information is clearly identified as such on each of the applicable pages and electronic documents within the body of the proposal.

Any proposal submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information. Identification of the entire proposal as confidential shall be deemed non-responsive and disqualify the firm.

If the firm designates any portion of the RFP as confidential, the firm must submit one “excised copy” of the proposal to IPERS from which the confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the proposal as possible.

The firm’s failure to request confidential treatment of material shall be deemed by IPERS as a waiver of any right to confidentiality, which the firm may have had.

D. PROPOSAL OBLIGATIONS

The contents of the proposal and any clarifications thereto submitted by the successful Manager shall become part of the contractual obligation and will be incorporated by reference into the ensuing contract.

E. DISPOSITION OF PROPOSALS

All proposals become the property of IPERS and will not be returned to the Manager. Notwithstanding the foregoing, if IPERS decides to terminate the selection process prior to the issuance of a notice of intent to award a contract, it will destroy or shall direct the destruction of all proposals and no file copies, either physical or electronic, shall be maintained by IPERS or its agents. Proposals that are received after the submission deadline will not be considered.

F. GRATUITIES

1. The laws of Iowa provide that it is a felony to offer or promise to give anything of value or benefit to a state employee with the intent to influence that employee’s duties. Evidence of violations of this statute will be turned over to the proper prosecuting attorney.
2. IPERS provides reimbursement for transportation, lodging, meals, and miscellaneous expenses for its employees.
3. IPERS employees are subject to stringent statutory restrictions relative to acceptance of gifts, meals, lodging, or transportation from any service contractor. Except for expenses associated with attending Manager-sponsored educational conferences, and only to the extent such expenses are covered by the Manager for its other clients, no meals, or travel expenses may be provided or subsidized by a Manager for IPERS employees.

G. IOWA STATUTES AND RULES

The terms and conditions of this RFP and the resulting contract shall be construed in accordance with the laws of Iowa. Whenever differences exist between federal and state statutes or regulations affecting this procurement, interpretation shall be in the direction of that which is most beneficial to the interests of the State of Iowa.

H. SIGNATURE OF MANAGER’S AGENT

The offer made by the proposal, and any clarifications to that proposal, shall be signed by an officer of the offering firm or a designated agent empowered to bind the firm in a contract.

I. AWARD OF MANDATE

IPERS reserves the right to award this contract not necessarily to the firm with the lowest fee or cost proposal, but to the firm that will provide the best match to the requirements of the RFP. The successful Manager or Managers will be determined in accordance with the evaluation criteria defined by IPERS.

J. EVALUATION OF PROPOSALS

IPERS will evaluate the Phase 1 proposals according to the evaluation criteria specified in this RFP and determine a group of Phase 2 semifinalists for further consideration by an Evaluation Committee. The Evaluation Committee will evaluate and score the semifinalist proposals. Upon completion of the Evaluation Committee's evaluation, finalist interviews, and office visits, may be conducted with some candidate firms. Determination of whether to conduct interviews and which firms to interview is at the sole discretion of the Evaluation Committee. A determination to execute a contract may be made by the IPERS Investment Board without an interview, upon recommendation of the Evaluation Committee. IPERS' Investment Board will make the final Manager selection.

K. EVALUATION CRITERIA

Proposals will be evaluated using the following criteria:

Organization	20%
People & Experience	20%
Ability to Fulfill Product Objectives	40%
Product Performance	20%

The criteria for Phase 2 of the RFP will also include cost and loan level performance.

L. THE RESULTING CONTRACT

The contract that IPERS expects to award as a result of this RFP will be based upon the proposals submitted by the successful Manager in all phases of the RFP. The contract between IPERS and the Manager shall be a combination of the specifications, terms, conditions and the offer contained in the proposals submitted by the Manager, any written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by IPERS.

IPERS is subject to the legal requirements established for Iowa state agencies as described in Part 4 of this RFP. Firms are strongly encouraged to have their legal counsel review Part 4 before submitting a proposal.

IPERS will issue a notice of intent to award if or when a winning proposal has been selected at the completion of Phase 3. The firm submitting the winning proposals will then be required to enter into discussions with IPERS to negotiate and finalize a contract before an award is made. IPERS' contract template will be used in the negotiation process. These discussions should be finalized and all exceptions resolved within six weeks of notification; if not, the firm's proposal may be rejected and discussions may be initiated with other firms that submitted proposals meeting the RFP's minimum requirements. Negotiated provisions must be consistent with the firm's offer; furthermore, no negotiated provision of any proposed contract shall, in the sole discretion of IPERS, affect the

evaluation criteria set forth in this RFP, or give the successful firm a competitive advantage.

M. TERM OF CONTRACT

The resulting contract shall be for a six (6) year period from the date of its execution, with flexibility to extend for a longer term. The resulting contract may be terminated at IPERS' discretion, with or without cause, after thirty (30) days written notice to the Manager.

N. SCHEDULE OF EVENTS

1. **May 5, 2017** – RFP IS ISSUED
2. **May 12, 2017** – INQUIRIES – Inquiries and requests for interpretation or clarification of the RFP from potential bidders will be accepted only via email. All inquiries must be received no later than 3:00 p.m. CST on this date. Firms must email their inquiries to IPERS at the following address:

investments@ipers.org
3. **May 19, 2017** – RESPONSE TO INQUIRIES – Responses to and addenda resulting from requests for interpretation will be posted no later than 4:30 p.m. CST on this date. Responses to questions will be posted at:

www.ipers.org
4. **June 2, 2017** – PROPOSALS DUE – The proposal must be received at IPERS Headquarters by 3:00 p.m. CST on this date.
5. **July 28, 2017** – Phase 2 RFP to be issued on or prior to this date (tentative).
6. **ANNOUNCEMENT OF SELECTION** – The System will notify all firms that submitted a proposal of its selection, which shall be subject to successful negotiation of a contract with the selected firm(s).

O. AUTHORIZATION TO RELEASE INFORMATION

IPERS reserves the right, either directly or through its authorized representative, to obtain from any and all sources, pertinent information concerning a firm, a firm's products, services, personnel, or subcontractors.

By submitting a proposal, the firm hereby authorizes IPERS and its authorized representatives to obtain information regarding the firm's performance on other contracts, agreements, or other business arrangements, its business reputation, and any other matter pertinent to the evaluation and selection of a successful firm in response to this RFP. This includes, but is not limited to, the right to conduct criminal history, prior performance, reference checks, and other background investigations for persons retained by the firm or other persons identified in the firm's proposal. This also includes, but is not limited to, the right to obtain, verify, and consider information from sources such as the firm's performance of contracts for other clients.

The firm, in submitting its proposal, hereby releases, acquits, and forever discharges IPERS, the State of Iowa, and their trustees, officers, employees, and agents from any and all liability whatsoever including all claims, demands, and cause of action of every nature and kind affecting the firm that it may have or ever claim to have relation to information, data, opinions, and references obtained by IPERS in the evaluation and selection of a firm in response to this RFP.

The firm, in submitting its proposal, authorizes IPERS and its authorized representatives to contact any and all of the persons, entities and references which are directly or indirectly, listed, submitted or referenced in firm's proposal submitted in response to this RFP.

By submitting its proposal, firm authorizes any and all persons and entities to provide information, data, and opinions with regard to firm's performance under any contract, agreement, or other business arrangement, firm's ability to perform, firm's business reputation, and any other matter pertinent to the evaluation of firm. The firm and its partners, officers, directors, employees, and agents hereby release, acquit, and forever discharge any such person or entity and their officers, directors, employees, and agents from any and all liability whatsoever, including all claims, demands, and causes of action of every nature and kind affecting the undersigned firm that it may have or ever claim to have relating to information, data, opinions, and references supplied to IPERS in the evaluation and selection of a successful firm in response to this RFP.

P. ETHICS POLICY DISCLOSURES

IPERS' staff and Board members are subject to an Ethics Policy adopted by the Investment Board (which can be viewed at <http://www.ipers.org/investments/policy/index.html>). The Ethics Policy requires firms and their agents to disclose campaign contributions made to campaigns for public elective office of IPERS staff and Board members. If your firm is selected as a semifinalist, you will be required to disclose any campaign contributions made by the firm and/or its employees or agents to any campaign for public elective office of IPERS Board and staff members or their spouses within the previous two (2) year period.

Q. APPEALS

Filing an appeal: Any firm that filed a timely bid or proposal and that is aggrieved by an award made by IPERS may appeal the decision by filing a written notice of appeal with Chief Executive Officer (CEO) Donna M. Mueller, 7401 Register Drive, Des Moines, Iowa, 50321, within five (5) calendar days of the date of award, exclusive of Saturdays, Sundays, and legal state holidays. IPERS must actually receive the notice of appeal within the specified time frame for it to be considered timely. The notice of appeal shall state the grounds upon which the firm challenges the IPERS award.

Procedures for vendor appeal: The appeal will be treated as "other agency action" in accordance with Iowa Code chapter 17A and cases interpreting this Code chapter. The procedure for an appeal of "other agency action" is to allow the firm an opportunity to be heard. To fulfill this obligation, the firm has five (5) calendar days from the date the notice of appeal was filed with IPERS to submit any written arguments and documents it wants considered related to the merits of the appeal. The aggrieved firm may, or may not, be afforded an opportunity to discuss the merits of the appeal with CEO Mueller, over the telephone or in person. CEO Mueller will issue a final agency decision related to the appeal. The exclusive means for a firm to seek further review of the final agency decision shall be governed by Iowa Code § 17A.19.

PART 3

QUESTIONNAIRE

The proposal must answer the following questions:

A. MINIMUM REQUIREMENTS

1. Is your firm a registered investment advisor under the Investment Advisors Act of 1940? If yes, provide the firm's SEC File Number (e.g. 801-xxxxx). If your firm is exempt under the bank exemption, please explain and provide proof of such exemption.
2. Does your firm have a minimum total of \$500,000,000 of assets under management invested in private corporate debt strategies consistent with the description of the Product as of March 31, 2017? What are the firm's current assets under management in private corporate debt strategies that are consistent with the Product description as of March 31, 2017?
3. Has your firm invested since inception a minimum total of \$500,000,000 in 1st lien senior secured debt across private U.S. and non-U.S. companies on behalf of one or more predecessor fund(s) or separately managed accounts as of March 31, 2017? How much has your firm invested in 1st lien senior secured debt across private U.S. and non-U.S. companies since inception as of March 31, 2017?
4. Does the firm have a verifiable minimum 5-year track record of managing private corporate debt strategies in the Product's style as of March 31, 2017? Provide the total number of years the firm has managed strategies consistent with the Product's style and **complete Tab Exhibit A of the Attachment.**
5. Is the firm willing and able to manage the Product mandate in a separately managed account or fund-of-one structure on behalf of IPERS?

B. ORGANIZATION/FIRM

1. Provide all of the following information:

Name of Firm:	
Contracting Entity	
Contact:	
Title:	
Address:	
Telephone #:	
Facsimile #:	
Email Address:	
Website:	

1. Give a brief history of your firm including the year the organization was founded.
2. Provide a description of the ownership structure and interrelationships between the parent-

- subsidiary, affiliate, and joint venture entities, if any. Provide an organization chart as **Exhibit B**.
3. Describe any significant developments in your organization within the last five years. Are there any near-term significant or material changes anticipated for your organization such as ownership structure?
 4. Has the firm or any officer or principal or employee been involved in any business litigation or other legal proceedings related to the firm's services? If so, provide a brief explanation and indicate the current status.
 5. Has the firm or any current officer or principal or employee of the firm ever been fined, censured, warned, or otherwise formally reprimanded by a regulatory agency, professional association, or society for matters related to investment activities? If yes, please describe the nature of the violations and the actions taken.
 6. Is the firm affiliated with a broker/dealer, investment bank, insurance company, or other lines of business that are not asset management related, but could present conflicts? If yes, briefly describe your firm's policies and procedures for dealing or trading through or with these affiliates.

C. PEOPLE & EXPERIENCE

1. Describe the investment team that will manage the investments. What differentiates your firm's team from other private corporate debt managers? Provide as **Exhibit C** a personnel chart that demonstrates the hierarchy of the firm. Investment professionals that are members of the firm's investment committee should be highlighted as well as the firm's proposed day-to-day contact for the IPERS' strategic partnership.
2. Provide information concerning the professional staff employed by the Manager by completing **Tab Exhibit D of the Attachment**.
3. Describe all additions to and departures from the investment team over the last five years. Complete **Tab Exhibit E of the Attachment**.
4. Describe the anticipated time commitment to the strategic partnership of each investment professional listed in Tab Exhibit D by completing the table in **Tab Exhibit F in the Attachment**.

D. ABILITY TO FULFILL PRODUCT OBJECTIVES

1. **Complete Tab Exhibit G of the Attachment.**
2. **Complete Tab Exhibit H of the Attachment.**
3. **Complete Tab Exhibit I of the Attachment.**
4. **Complete Tab Exhibit J of the Attachment.**

5. Given the Product definition, discuss the portfolio that you would structure to meet IPERS' private corporate debt program objective while mitigating downside risk. Topics included in the discussion should be the types of loans, diversification strategy, use of leverage, risk mitigation and what, if any, opportunistic investments would be contemplated.
6. Given the Product definition, are there limitations that you foresee being a detriment to achieving the program objective?
7. Given your proposed portfolio structure from question D.5 above, what is base case, upside case and downside case for the portfolio's performance? Provide an attribution of the estimated returns to explain how you arrive at these estimates.

E. PRODUCT PERFORMANCE

1. **Complete Tab Exhibit K of the Attachment. *Include all of the strategies submitted in Exhibit I.***

F. CONTRACT TERMS

1. Does the Manager agree that the terms and conditions of any Contract between the Manager and IPERS that may result from this RFP will conform to all of the legal requirements specified in Part 4 of this RFP? If the answer is no, please explain why.

PART 4

IPERS' LEGAL CONTRACTING REQUIREMENTS

IPERS is subject to specific legal requirements established for Iowa state agencies as described below:

1. IPERS will not accept an agreement containing provisions that require IPERS to indemnify or defend a service provider (or any affiliate, director, employee, contractor, subcontractor, or agent of a service provider, etc.).
2. IPERS will not agree to provisions that would either limit the liability of the service provider (or any other person or entity) for specified types of damages (including, without limitation, consequential, indirect, direct, incidental, special, punitive, exemplary, loss of business, lost profits, lost revenues, business interruption, loss or corruption of business information or data, etc.) or place any sort of cap or total limit on the amount of damages for which a service provider could be held liable under the contract. Note: this is not intended to preclude a service provider from relying on standard force majeure clauses that excuse failures to perform due to circumstances outside the reasonable control of a party, like disasters, war, acts of God, etc.
3. IPERS will not agree to any indemnification provisions (in which the service provider is indemnifying IPERS) that allow the service provider to defend IPERS and have sole control over the defense and settlement of any claims against IPERS.
4. IPERS will not agree to provisions that provide for exclusive remedies or which otherwise limit any remedies or legal recourse that may be available to IPERS or the State of Iowa.
5. IPERS will not agree to any confidentiality or nondisclosure provisions that create obligations that conflict with IPERS' legal obligations under applicable open records laws, including but not limited to Iowa Code chapter 22.
6. IPERS will not agree to pledge or make any assets, monies, accounts and/or collateral of IPERS subject to any liens, security interests, rights of set off or recoupment in favor of the service provider. IPERS will not grant a security interest in or pledge a lien against its assets in favor of a service provider. This is not intended to limit the ability of a futures exchange to avail itself of rights to initial and variation margin, etc. IPERS will not agree to any provisions that would require IPERS to waive any legal exemptions from attachment of assets or execution of judgments against IPERS' assets or property.
7. IPERS will not agree to provisions that would require IPERS to waive any immunity to suit or liability or irrevocably waive sovereign or governmental immunity, or any defenses available to it under Iowa or Federal law. This is not intended to eliminate waivers of immunity that presently exist via Iowa statute (e.g., Chapter 669 relating to tort claims) or case law.
8. IPERS will not agree to provisions that would limit a service provider's liability or responsibility for breach of contract to only if the breach resulted from the service provider's gross negligence, willful misconduct, or fraud. A service provider should be responsible for any breach of contract.