



MENDOCINO COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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Request for Proposal No. RET 26-02

INVESTMENT CONSULTING SERVICES

Issue Date: March 9, 2026

Submission Deadline: April 20, 2026

Contract Term: July 1, 2026 – June 30, 2030

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Key Dates

RFP Schedule

Request for Proposals (RFP) issued:	March 9, 2026	
RFP Questions Deadline:	March 16, 2026	5:00PM PDT
RFP Answers Posted on Website:	March 23, 2026	5:00PM PDT
Due date for Submission of Proposals:	April 20, 2026	5:00 PM PDT
MCERA Review of RFP Submissions:	April 21 – May 1, 2026	
Selection of Finalist(s):	May 4, 2026	
Finalist Interview(s):	May 20, 2026	
Estimated Contract Award/Execution:	To be determined	

Introduction

The Mendocino County Employees Retirement Association (MCERA) is requesting proposals from qualified firms interested in providing Investment Consulting services.

Questions about this RFP must be submitted in writing by **5:00 p.m. March 16, 2026** to Doris Rentschler, Executive Director, by email to doris.rentschler@mendocinocounty.gov. Responses to questions will be posted to MCERA’s website by **5:00 p.m. March 23, 2026**.

Those who wish to be considered must submit their completed proposal by **April 20, 2026**. Specific instructions for proposal submission are contained in the Proposal Requirements of this RFP.

Background

MCERA was established in 1948 under the provisions of the County Employees Retirement Law of 1937 and provides members with retirement, disability, death and cost-of-living benefits. There are approximately 3,725 members served by MCERA, of which over 1,700 are retirees and beneficiaries. MCERA is governed by a nine-member Board of Retirement (“Board”) which has plenary authority and fiduciary responsibility for investment of moneys and administration of the retirement system. MCERA has 7 employees. The Board appoints the Executive Director who is responsible for the management of the retirement system. For additional information about MCERA, please refer to [MCERA’s website](http://mendocinocounty.gov/retirement) at mendocinocounty.gov/retirement.

As of December 31, 2025, market value of MCERA’s net assets was \$856 million. The portfolio strategies are managed by outside investment managers. MCERA’s office building is directly owned by the association and managed by staff. The Board has adopted the asset allocation policy and investment manager structure shown below:

Asset Class	Target	Managers
Large Cap Domestic Equity	25.9%	Vanguard S&P 500 Index
Mid Cap Domestic Equity	5.5%	Fidelity Low Priced Stock Fund Janus Henderson Enterprise Fund
Small Cap Domestic Equity	5.6%	PGIM QMA Small Cap Value Fund AB US Small Cap Growth Fund
International Equity	25.0%	State Street Global Advisors World ex-US Index Brandes International Small Cap Fund T. Rowe Price International Small Cap Fund Ninety One EME Fund Artisan EME Fund
Fixed Income	21%	Dodge and Cox Income Fund PIMCO Total Return Fund
Private Real Estate	11%	RREEF America II Fund Barings Core Property Fund* Kayne Anderson Alternative Core Fund LaSalle Property Fund#
Private Infrastructure	6%	IFM Global Infrastructure Fund JPM Infrastructure Investments Fund
Totals	100%	

*, Investment in process of being closed.

#, Investment approved yet to fund.

MCERA’s current Investment Policy Statement can be found at:

<https://www.mendocinocounty.gov/home/showpublisheddocument/61020/638332447966500000>

Scope of Services

The detailed scope of services for this engagement is outlined in the attached Exhibit “A” (“Scope of Services”). The primary objective is to provide MCERA with independent investment advice to the MCERA’s Board and staff.

The MCERA Board is seeking a qualified firm to provide comprehensive full-retainer, non-

discretionary general investment consulting services. The selected investment consulting firm will report to the Board and work closely with the Board and staff. The selected firm will demonstrate extensive experience and superior capability for providing those investment consulting services that are critical to the success of a public pension system.

MCERA's investment consultant will serve in a fiduciary capacity and will acknowledge in writing the firm's fiduciary status, without qualification. In all cases, the firm and its consultants will offer advice to the Board that is solely in the interest of the plan participants and beneficiaries of MCERA.

The firm selected for this engagement will be expected to meet requirements that include, but are not limited to, the following:

1. The firm must have all necessary permits and licenses to perform the requested services and must be bonded where applicable.
2. Minimum insurance coverage as provided in Exhibit C of the Exhibit E Service Agreement. MCERA must be listed as an additional insured on the policies.
3. The firm shall provide all personnel, equipment, tools, materials, vehicles, supervision, and other items and services necessary to perform all services, tasks, and functions as requested in this RFP.
4. The initial term of the contract awarded pursuant to this RFP will be for a four-year period, with MCERA retaining the option to renew the contract, on an annual basis, for up to an additional four (4) years.
5. All work under the contract awarded shall be performed and all equipment furnished or installed in accordance with applicable safety codes, ordinances, and other regulations, including the regulations of the State of California, Division of Industrial Safety and the provisions of the California Labor Code, the Occupational Safety and Health Act of 1970, the California Occupational Health and Safety Act.
6. Minimum Qualifications
All respondents are required to sign and return the "Minimum Qualifications Certification," attached as Exhibit B.
7. Comply with MCERA's Conflict of Interest Policy.

General Conditions

All terms, conditions, requirements, and procedures included in this RFP must be met for a proposal to be qualified. A proposal that fails to meet any material term, condition, requirement, or procedure of this RFP may be disqualified. MCERA reserves the right to waive or permit cure of non-material errors or omissions. MCERA reserves the right to modify, amend, or cancel the terms of this RFP at any time.

MCERA may modify this RFP prior to the date fixed for submission of a proposal by posting, mailing, emailing or faxing an addendum to the respondents known to be interested in submitting a proposal. Failure of a respondent to receive or acknowledge receipt of any addendum shall not relieve the respondent of the responsibility for complying with said terms. A respondent's proposal shall constitute an irrevocable offer for the 120 days following the deadline for submission of proposals. Reference to a certain number of days in this RFP shall mean business days unless otherwise specified.

All proposals submitted in response to this RFP will become the exclusive property of MCERA. Proposals will not be returned to respondents.

There is no expressed or implied obligation for MCERA to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Costs for developing proposals are entirely the responsibility of the Proposer and will not be chargeable to or reimbursable by MCERA.

MCERA reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

MCERA may, in its sole discretion, enter into contracts with multiple providers.

MCERA reserves the right to contact current and former clients of the Proposer for information at any time during the proposal process.

MCERA reserves the right to contact individual Proposers to clarify information at any time during the proposal process.

By submitting a proposal, the respondent acknowledges that it has read this RFP, understands it, and agrees to be bound by its requirements unless clearly and specifically noted in the proposal.

Point of Contact

A quiet period will be in effect from the date of issuance of this RFP until announcement of the selection of a firm or firms under this RFP. During the quiet period, respondents are not permitted to communicate with any MCERA staff member or Board Member regarding this RFP except through the Point of Contact named herein. Respondents violating this quiet period may be disqualified at MCERA's discretion. Respondents having current business with MCERA must limit their communications to the subject of such business.

The Point of Contact for all matters relating to this RFP is:

Name:	Doris Rentschler
Title:	Executive Director
Address:	MCERA 625-B Kings Court Ukiah, CA 95482
Telephone:	(707) 463-4328

Email: doris.rentschler@mendocinocounty.gov
MCERA Website: [Mendocinocounty.gov/retirement](https://www.mendocinocounty.gov/retirement)
Status: See MCERA’s website and/or the County of Mendocino’s website for status of the RFP and announcements; linked below:

<https://www.mendocinocounty.gov/government/affiliated-agencies/mendocino-county-employees-retirement-association/request-for-proposals>, and
<https://www.mendocinocounty.gov/departments/general-services/central-services/open-rfp-quotes-bids>

MCERA’s normal business hours are from 8:00 a.m. to 5:00 p.m. PST Monday through Friday, except for federal and state holidays.

Response to Request for Proposal

Proposals must be submitted to the Point of Contact identified and delivered by the due date and time stated in the Key Dates on page 3 of this proposal.

MCERA will accept electronic, paper, or both types of submissions. Proposals may be submitted electronically in Adobe Acrobat PDF format to the email address noted in Point of Contact section. Submission may also be made by mailing two paper copies to the mailing address noted in the Point of Contact section.

Proposal Requirements

Proposals must include the following information:

1. The “Minimum Qualifications Certification,” attached as Exhibit “B.”
2. The “Proposal Cover Page and Check List,” attached as Exhibit “C.”
3. A “Fixed Fee Proposal,” attached as Exhibit “D”.
4. An executive summary that provides the respondent’s background, experience, and other qualifications to provide the services included in the Scope of Services.
5. A description of the respondent including:
 - a. Brief history, including year the respondent firm was formed.
 - b. Ownership structure.
 - c. Office locations. Indicate which office will be primarily responsible for servicing the MCERA account.
 - d. Organization charts.
 - i. A diagram of the ownership of the firm and any interrelationships between the parent-subsidiary, affiliate and joint venture entities, if any. The diagram should indicate the number of employees for each entity. Show and describe, if any, the distinct lines of business of your firm and your parent if any, which are in addition to your investment consulting line of business. How many employees are involved in each line of business?
 - ii. One that depicts the structure of the investment consulting group and

identifies the key personnel and other people that will be involved in providing service to MCERA. Indicate the total number of CFA charterholders, or other relevant certifications, employed by the firm and the team proposed to support MCERA.

- e. Annual revenues of the firm, percentage of firm’s revenue from investment consulting services. Please provide the percentage breakdown of your firm’s revenue sources by distinct lines of business. Of the total firm-wide revenue, including parent and affiliated companies, what percentage is from organizations that provide investment services to institutional or retail investors?
- f. Does your firm outsource any aspect of your investment advisory/consulting services? If so, please describe in detail the names of the third-party providers, the services they perform, and business arrangements.
- g. Is your firm, its parent, or affiliate a registered investment advisor with the SEC under the Investment Advisors Act of 1940? If not, what is your fiduciary classification? Please include ADV Part I and II. (Identify as Appendix Exhibit)
- h. Please discuss the overall business objectives of your firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:
 - i. Additional resources for advising/consulting, support, research, client service, and tools/models to enhance the consulting process.
 - ii. The maximum assets under advisement/management, the maximum number of clients, and optimal client-to-consultant ratio.
 - iii. Any intention to merge or acquire other firms, spin-off subsidiaries.
- i. Scope of services offered.
- j. Respondent’s specialties, strengths, and limitations.
- k. Relevant Experience:
 - i. Complete the table below, reporting only those client relationships with similar “full service” investment consulting services.

Type of Clients	Under \$1 billion	\$1 - 5 billion	\$5 - 15 billion	\$15 - 50 billion	Over \$50 billion
California 1937 Act Retirement Sys.					
Other Governmental Defined Benefit Plans					
Union/Taft-Hartley					

Type of Clients	Under \$1 billion	\$1 - 5 billion	\$5 - 15 billion	\$15 - 50 billion	Over \$50 billion
Corporate					
Endowment					
Foundation					
Hospital					
Other					

- ii. Complete the table below, providing the number of clients, assets under advisement for the firm’s full-service retainer investment consulting relationships and the number of clients that have renewed their contract with your firm over each of the last five (5) years. Performance evaluation services or project-based work alone are not considered full-service retainer investment consulting relationships. Provide the data as of December 31st for all years.

	2025	2024	2023	2022	2021
Number of Clients					
Assets under Advisement					
Number of Clients to Renew Contract					

- iii. Please provide your employee breakdown:

Staffing Group	Number of Employees
Field Consultants	
Risk Management	
Performance Analysts	

Staffing Group	Number of Employees
Other Research	
Administrative and Support Staff	
Other	

- iv. Provide (as Appendix Exhibits) examples of MCERA-relevant reports that your client-facing personnel have prepared for other clients. As part of your response, we expect our general consultant to:
 - a. Lead selected discussions of macro and asset-class portfolio strategy and provide supportive research;
 - b. “Set up” investment manager finalist presentations (if needed) and deliberations in collaboration with staff; and
 - c. Address specific investment issues or questions raised by the Board or staff.

To address these points, please provide (In an Appendix Exhibit) specific examples of your proposed lead consultant’s work products that are related to these points. Explain who prepared each.

- v. Assuming you conduct client service/satisfaction surveys, provide a table showing the comparative results over the past 3-4 years. Where have you improved and where have you declined in ratings on these, and what has management done to address these? If your firm doesn’t conduct such surveys, how do you quantify client’s level of satisfaction? How should a client evaluate the performance of your firm? How does your firm evaluate its own performance?
- vi. Beyond your general client conferences, what training opportunities could your firm offer to MCERA staff to sharpen their analytical abilities, technical investment acumen, and ability to formulate decision-useful reports?
- vii. Describe any other educational opportunities provided to your client’s trustees and staff. Give details on whether one-on-one, classroom or seminar environments are available. Are your internal employees or external resources used?
- viii. Below the partner/principal/MD level, how do you reward or compensate key employees for superior client service? What feedback do they receive from clients as part of that process?
- ix. List of senior staff hires and departures over the last three (3) years. For departures indicate the reason for the departure.

6. Investment Consulting Staffing Proposal. Include the names, title, office location and qualifications of fully trained and qualified staff that will be assigned to MCERA work, including a detailed profile/biography/resume of each person identified. Describe what role each person identified will play in providing the required MCERA' services. Will any client-facing personnel have scheduling conflicts with MCERA customary Board meetings which are generally scheduled to be held on the third Wednesday of each month? Identify any other clients with the same meeting dates or adjacent meeting dates that would make attendance in person or via video conference with MCERA unfeasible, by the named field consultant.
7. Please provide at least five (5) references for which the respondent has provided services similar to those included in the Scope of Services. Please include for each reference the individual point of contact, contact information, a summary of the work performed, and the length of time the respondent provided each service.
8. Describe the firm's research organization and your division of labor. What is the process for identifying investment manager candidates, qualifying/vetting them, and providing manager research to your client's professional staff? Please address the following in your response:
 - a. Provide a list of strategies that have been assessed by research to show the breadth of the manager review capabilities
 - b. How often does a representative of the firm's manager research group typically perform an onsite visit to an investment management firm?
 - c. Describe your coverage of U.S. vs non-U.S. investments
 - d. Is there a manager rating system applied?
 - e. Does the firm maintain a "buy list" of managers for specific product classifications?
9. Provide a list of research personnel dedicated entirely to each of the following categories:
 - a. Public markets equity: domestic and international/global
 - b. Real estate
 - c. Private equity
 - d. Bonds and credit
 - i. Specifically identify those assigned to private/direct lending.
 - e. Hedge funds.
 - f. Private infrastructure.
 - g. Asset allocation and portfolio strategy.
 - h. Other real assets including natural resources, commodities, and agriculture.
10. Provide a table showing the tenure of your research personnel by relevant categories in your business model. How many have worked for your firm under 2 years, 2-5 years, 5-10 years, and over 10 years? In italics and parentheses, include the average years of actual industry-wide investment research experience of the individuals in each of the cells in

that table.

11. How do you evaluate performance of research personnel? How do you reward superior research work by individual analysts?
12. Does the firm maintain a database for prospective investments and managers? If yes, please describe the firm's database that will be made to available clients.
13. Please discuss what, if any, risk management tools your firm utilizes to evaluate potential investment recommendations in conjunction with a client's existing portfolio.
14. Discuss in detail the theory and methodology of the asset allocation model the firm employs. How does the firm develop input data for the models employed? How would you involve MCERA's staff and trustees in the process? How are the association's liability structure, funding level, and changes in the contribution level incorporated? Please discuss your capability for analyzing liabilities. Provide a sample asset/liability report preferably for a public pension plan as an Appendix Exhibit.
15. Please describe the firm's experience and capability for performing asset allocation studies for a defined benefit plan. Can you conduct these studies annually? What type of follow-up or review would the firm provide between studies?
16. Explain your firm's primary inputs to your current asset allocation model. Discuss at a minimum, expected returns, standard deviations and correlation coefficients for all significant and relevant asset classes or categories for which your firm has developed inputs (you may cross-reference an Appendix Exhibit if preferred).
17. Based on your firm's current 2026 model for expected returns of asset classes and categories/strategies, and MCERA's current asset allocation as shown in this RFP document (page 4): What would be your firm's projected pro forma expected portfolio-wide returns net of fees, in real and nominal terms, given our portfolio size, for:
 - a. 5-7 or 5-10 years (your choice of intermediate periods)
 - b. 20 or 30 years (your choice of long periods)Present your answers in a 2x2 data table, with time period labels at the top and real/nominal labels on the vertical axis.
18. What is your highest conviction longer-term investment thesis for MCERA that will require patience (or at least several years) to implement? Why would this particularly benefit MCERA over the next decade.
19. Discuss your firm's expertise with respect to private real estate and private infrastructure. Describe your firm's real estate/infrastructure investment philosophy and process. Please include your approach to formulating goals and objectives, and a description of the modeling concepts and methodology used to perform asset allocation modeling of these asset classes.
20. Outline your process for providing a continuous review of your client's investment strategy, portfolio mix, advisor/manager and fund performance evaluation.

21. Describe how benchmarks are chosen for infrastructure investments and how performance is compared to similar portfolios. Can you provide customized benchmarks? Is MCERA's current infrastructure benchmark appropriate?
22. What differentiates your firm from your competitors? What are your firm's limitations? Why should MCERA hire your firm rather than your competitors? Please list your top five (5) general investment consulting competitors.
23. What investments does your organization consider to be alternative investments? Of those, on which ones does your organization consult? Please rank your firm's level of expertise by alternative investment categories/classes. (e.g., 1. private equity, 2. real estate, 3. commodities, etc.) Please substantiate your ranking.
24. How does your organization identify top tier alternative investment firms?
 - a. Explain your relationship with these groups.
 - b. Provide a list of top tier managers your organization monitors.
 - c. What qualifies a firm to be categorized as "top tier"?
 - d. Describe your clients' success in gaining access to these funds.
 - e. Describe the success rate of clients the size of MCERA gaining access to these funds.
25. Explain how your firm views the prospective risk-return characteristics and comparative advantages/disadvantages of private credit versus public credit (differentiating between direct lending or asset-based finance of litigation finance etc. if you wish) considering leverage and fees. Given MCERA's size would an allocation to private credit be prudent? Please specifically address concerns of fees, particularly for FoFs, and gaining access to top tier funds.
26. Explain how your firm views the prospective risk-return characteristics and comparative advantages/disadvantages of real estate and infrastructure debt. Why would an organization like MCERA consider a dedicated allocation to that type of investment? Discuss the distinct risk-return profiles and why one may be a better fit for MCERA than another.
27. What are the databases and applications you routinely use for performance analysis and reporting? Describe features and functionality that are distinctive to your firm, and how they would benefit MCERA staff and trustees as two distinct user groups with differing technical competencies.
28. Describe the content and format of your firm's quarterly performance reports for the total fund, major asset classes, and individual investment managers. Provide a sample report for one of your firm's clients that is structured similarly to MCERA. (cross-reference as Appendix Exhibit)
29. Can these reports be customized to accommodate MCERA-specific information needs? Are there charges for these additional information requests? Within what time frames can these requested changes be implemented?

30. Do you provide any customized computer-based analytical tools to your clients?
Describe the services the firm provides clients with over the Internet that would be available to MCERA.
31. What is the anticipated availability dates for each performance report in terms of the number of calendar days after MCERA's custodian provides investment activity for the portfolio and individual funds.
32. Describe your firm's source of comparable plan sponsor returns. Indicate the size (#'s and \$'s), composition (#'s and \$'s), and data compilation method.
33. Using the MCERA target policy allocation, discuss your methodology for quantifying the active return performance objective, active return contribution to performance, target tracking error and target information ratio for the various public asset classes. If you have alternative metrics, explain what comparable alternative metrics you employ for various asset classes and categories.
34. Describe your firm's philosophy and approach regarding the use of benchmarks. How do you determine the appropriate benchmark. Describe your approach to benchmarking illiquid investments.
35. If MCERA were to consider strict watchlist criteria how would your firm develop the criteria? Explain the benefits and considerations for and against strict watchlist criteria.
36. If MCERA were to invest in a strategy that required annual disclosures related to California Government Code 7514.7 would your firm be able to collect and report the fee data annually? What would be the additional cost? Include this cost as an itemized expense in your pricing proposal.
37. Please describe the firm's experience and capability for sourcing and conducting manager searches. Describe the firm's process from beginning to end. Include the resources the firm would use and the individuals that would be involved in the process.
38. Does your firm maintain an in-house database of investment managers? If not, from what vendor do you purchase the database? How many managers are included in the database? What asset classes are covered? Can clients access the database? If you maintain an in-house manager database, do you sell it to third parties? How do you receive compensation?
39. How does your firm evaluate a new client's existing investment managers? How often are the funded advisers re-evaluated? Describe the process.
40. How is the success of investment managers selected monitored? How does your firm measure the success of existing managers?
41. What criteria are used to recommend termination or asset reduction of an investment manager?

42. If MCERA were to consider strict watchlist criteria how would your firm develop the criteria? Explain the benefits and considerations for and against strict watchlist criteria.
43. How would you go about providing independent due diligence for an investment manager finalist that is not already a part of your qualified manager list? What limitations or qualifications, if any, would there be in your due diligence report of an emerging or unfamiliar manager? Would you charge MCERA for due diligence on a strategy you're unfamiliar with?
44. Discuss your custodian bank/trustee search capabilities and procedures. How many of these searches have you performed/assisted in the last three (3) years? What percentage of your searches resulted in a custodian change? Who won the most takeaways in the past three years?
45. How does your firm review an investment manager's claim of GIPS compliance? Explain your review process of the claim. At a minimum speak to your review of the manager's operational framework, verification history, and strategy-specific due diligence.
46. Describe your compliance function and staffing. Describe your compliance processes as they relate to research personnel and your field consultants serving MCERA.
47. Does your firm have a written Code of Conduct or a set of standards for professional behavior? (Identify as an Appendix Exhibit.) If so, how are they monitored and enforced?
48. Does your firm follow the CFA Institute's Code and Standards? If so, how is employee compliance monitored?
49. How are consultants' recommendations to clients reviewed and monitored by your organization for compliance? How does your firm maintain consistency in consultant recommendations? Conversely, how do you facilitate customization while maintaining quality control?
50. Within the last five (5) years, has your organization or an officer or principal been involved in litigation or other legal proceedings relating to your investment consulting assignments? If so, please provide an explanation and indicate the current status.
51. Other than broad industry sweeps, has your firm ever been investigated, disciplined or censured by any regulatory body? Any of your employees? If so, please describe the situation.
52. Of the investment managers currently managing assets for MCERA (listed on page 4), please disclose any business your firm, affiliates, or parent company does with any of our investment managers.
53. Provide a complete explanation of any direct contractual relationships that your firm, affiliates, or parent company has with any investment management firm not currently retained by MCERA.

54. How does your firm identify and manage conflicts of interest? Are there any potential conflicts of interest issues your firm would have in servicing MCERA? If so, please describe them.
55. Does your firm or any affiliates provide investment management, brokerage, trust or actuarial services? If yes, how does your firm protect against conflicts of interest? Would your organization notify a client of any apparent or potential conflict of interest, regardless of whether it was required by regulations?
56. Does your firm hold or sponsor money manager or client conferences? Please describe and quantify categorically all conferences your firm has held or sponsored in the past two (2) years.
57. Identify all negative media or online articles mentioning your firm that are readily retrieved and/or viewed from a basic web search, and explanation of each incident or issue.
58. Disclose and describe any direct or indirect business, advisory, consulting, professional, political or financial relationship you have had with any MCERA plan sponsors, stakeholder organizations or legislative oversight bodies during the past three (3) years.
59. Attest whether your firm maintains and enforces an ethics code that prohibits employees from front-running or leveraging client decisions for personal inurement and describe the compliance process that assures this. Provide an excerpt from your applicable policy here.
60. Explain whether the firm, its affiliates, or the ultimate parent of the firm manages money or in any way provides discretionary management services for clients. If so, please identify those entities and describe the services they provide.
61. Discuss how the firm prevents or manages possible conflicts of interest between nondiscretionary client recommendations and discretionary client decisions. Provide a breakdown of revenue by percentage of revenue originating from each of nondiscretionary consulting services and discretionary advisory services.
62. Does your firm permit its staff members to serve on boards of directors? If so, are there any restrictions in place on this activity and how is their director compensation treated?
63. Please describe the levels of coverage for error and omissions insurance, general business liability insurance and any fiduciary or professional liability insurance your firm carries. Is the coverage on a per client basis, or is the dollar figure applied to the firm as a whole? List the insurance carriers by category, and their policy limits both aggregate and per client.
64. What client, investment manager or employment-practice claims have been made or paid by your insurance carriers in the last five (5) years? Provide an explanation and indicate the current status.

65. Describe your business continuity plan (BC), capabilities and facilities. When was your BC plan last tested and what did you learn/fix? In addition, please describe in detail your firm's cybersecurity recovery plan.
66. Please describe your firm's legal resources, both in-house and external consultants, if retained.
67. Copies of any pertinent licenses required to deliver respondent's product or service (e.g., business license).
68. Describe how a new client would transition to your services, including cost basis and performance data. Please outline the level of access and interaction MCERA's staff would have with your firm's consultants, research staff, and other professionals, particularly in the formative phase of a new client relationship.
69. Pricing Proposal – include an explanation of the pricing proposal for the scope of work including pricing of fees and costs, billing practices, and payment terms that would apply. MCERA does not place any limits on the approach to pricing and is open to presentation of more than one pricing alternative for the scope of work, or portions of it. (For example, a bundled flat fee or unbundled per project fee) This section of the response should include an explanation as to how the pricing approach(es) will be managed to provide the best value to MCERA. The respondent should represent that the pricing offered to MCERA is, and will remain, equivalent to or better than that provided to other public pension fund or institutional investor clients or should provide an explanation as to why this representation cannot be provided. All pricing proposals should be “best and final,” although MCERA reserves the right to negotiate on pricing. A sample fee proposal template is provided in Exhibit D.
70. MCERA requires its Investment Consult to file a Statement of Economic Interest (FPPC Form 700) with the FPPC, as detailed in MCERA's Conflict of Interest Code. Attest the lead consultant assigned to MCERA will file Form 700 with the FPPC annually while contracted with MCERA.
71. A description of all past, pending, or threatened litigation, including malpractice claims, administrative, state ethics, disciplinary proceedings, and other claims against respondent and/or any of the individuals proposed to provide.
72. Any other information that the respondent deems relevant to MCERA's selection process.

Evaluation Criteria

Responses will be evaluated based on the following:

1. Investment consulting process and program philosophy
2. Quantitative and qualitative research capabilities.
3. Fee schedule, pricing and value.
4. Independence of candidate firms, and/or their approach to mitigating conflicts of interest.
5. Experience and reputation of the respondent.
6. Quality of the team proposed to provide services to MCERA, including staffing depth,

relevant experience, and professional qualifications, credentials, designations, and certification of team members.

7. Quality and timing of reports.
8. Availability and quality of Client Portal offering and overall technology resources.
9. Compliance with technical standards contained in this RFP.
10. The organization, completeness, and quality of the proposal.
11. Information provided by references.
12. Other factors MCERA determines to be relevant.

The factors will be considered as a whole, without specific weighting.

MCERA may require one or more interviews with or personal presentations by finalists to be conducted by staff, Board members, and/or the entire Board of Retirement.

If the information in the proposal is deemed to be insufficient for evaluation, MCERA may request additional information or reject the proposal outright at MCERA's sole discretion. False, incomplete, or unresponsive statements in connection with a proposal may result in rejection of the proposal.

Non-Discrimination Requirement

By submitting a proposal, the respondent represents that it and its subsidiaries do not and will not discriminate against any employee or applicant for employment on the basis of race, religion, color, national origin, ethnic group identification, mental disability, physical disability, medical condition, genetic information, marital status, ancestry, sex, gender, sexual orientation, gender identity, gender expression, age, or military and veteran status.

Notice Regarding the California Public Records Act and the Brown Act

The information submitted in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Section 6250, et. seq., the "Act"). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying unless specifically exempted under one of several exemptions set forth in the Act. If a respondent believes any portion of its proposal is exempt from public disclosure or discussion under the Act, the respondent must provide a full explanation and mark such portion "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY," and make it readily separable from the balance of the response. Proposals marked "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY" in their entirety will not be honored, and MCERA will not deny public disclosure of all or any portion of proposals so marked.

By submitting a proposal with material marked "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY," a respondent represents it has a good faith belief that the material is exempt from disclosure under the Act; however, such designations will not necessarily be conclusive, and a respondent may be required to justify in writing why such material should not be disclosed

by MCERA under the Act. Fee and pricing proposals are not considered “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY”.

If MCERA receives a request pursuant to the Act for materials that a respondent has marked “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY,” and if MCERA agrees that the material requested is not subject to disclosure under the Act, MCERA will either notify the respondent so that it can seek a protective order at its own cost and expense, or MCERA will deny disclosure of those materials. MCERA will not be held liable, however, for inadvertent disclosure of such materials, data, and information or for disclosure of such materials if deemed appropriate in MCERA’s sole discretion. MCERA retains the right to disclose all information provided by a respondent.

If MCERA denies public disclosure of any materials designated as “TRADE SECRETS,” “CONFIDENTIAL,” or “PROPRIETARY,” the respondent agrees to reimburse MCERA for, and to indemnify, defend and hold harmless MCERA, its Board, officers, fiduciaries, employees, and agents from and against:

1. Any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses, including, without limitation, attorneys’ fees, expenses, and court costs of any nature whatsoever (collectively, “Claims”) arising from or relating to MCERA’s non-disclosure of any such designated portions of a proposal; and
2. Any and all Claims arising from or relating to MCERA’s public disclosure of any such designated portions of a proposal if MCERA determines disclosure is required by law, or if disclosure is ordered by a court of competent jurisdiction.

Contract Negotiations

MCERA will propose a contract to the successful respondent, which will contain such terms as MCERA, in its sole discretion, may require. In addition, the selected firm will agree that this RFP and the firm’s proposal will be incorporated by reference into any resulting contract.

This RFP is not an offer to contract. Acceptance of a proposal neither commits MCERA to award a contract to any respondent, nor does it limit MCERA’s right to negotiate the terms of a contract in MCERA’s best interest, including the addition of terms not mentioned in this RFP. The final contract must, among other terms and conditions required by MCERA, allow MCERA to terminate the contract a) for MCERA’s convenience, b) if funds are not appropriated for the services to be provided, or c) for default.

The general form of the contract MCERA intends to use is included as Exhibit “E” (“MCERA Services Agreement”). MCERA reserves the right to make changes to the contract prior to execution, including material changes. The final Scope of Services to be included in the contract will be determined at the conclusion of the RFP process.

By submitting a proposal without comment on the MCERA Services Agreement, respondent will be deemed to have agreed to each term in the MCERA Services Agreement, and to not seek any modifications to it. If respondent objects to any term in the MCERA Services Agreement or wishes to modify or add terms to the MCERA Services Agreement, the proposal must identify each

objection and propose language for each modification and additional term sought. A rationale should be included for each objection, modification, or addition.

Reservations by MCERA

In addition to the other provisions of this RFP, MCERA reserves the right to:

1. Cancel or modify this RFP, in whole or in part, at any time.
2. Make such investigation as it deems necessary to determine the respondent's ability to furnish the required services, and the respondent agrees to furnish all such information for this purpose as MCERA may request.
3. Reject the proposal of any respondent who is not currently in a position to perform the contract, or who previously failed to perform similar contracts properly, or in a timely manner, or for any other reason in MCERA's sole discretion.
4. Waive irregularities, to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.
5. Award a contract, if at all, to the firm which will provide the best match to the requirements of the RFP and the service needs of MCERA in MCERA's sole discretion, which may not be the proposal with the lowest fees.
6. Request additional documentation or information from respondents, which may vary by respondent. MCERA may ask questions of any respondent to seek clarification to ensure that the respondent understands the scope of work or terms of the RFP.
7. Reject any or all proposals submitted in this RFP.
8. Choose not to enter into an agreement with any of the respondents to this RFP or negotiate for the services described in this RFP with a party that did not submit a proposal.
9. Determine the extent, without limitation, to which the services of a successful respondent are or are not actually utilized.
10. Defer selection to a time of MCERA's choosing.
11. Consider information about a respondent other than, and in addition to, that submitted by the respondent.

Exhibit A -Scope of Services

MCERA seeks one qualified investment consulting firm to perform the following services:

Investment Policy and Asset/Liability Studies

1. Conduct an annual comprehensive review and analysis of investment policies, objectives, asset allocation and portfolio structure, and recommend changes, if appropriate. Review and update the system's investment policy statement.
2. Work with staff and the actuary to conduct an asset/liability study of the fund at least every three years, including recommending methodologies, assumptions, asset classes for consideration, and alternative asset allocations.

3. Develop an appropriate investment management structure for the system and each asset class that considers the role of active versus passive strategies and investment management styles under different market conditions.
4. Analyze the investment characteristics of available asset classes and the risk/return potential of alternative asset mix policies.
5. Develop policies, guidelines and procedures for rebalancing the asset mix.
6. Advise the Fund about new developments in investment management techniques and portfolio management strategies. Analyze how new techniques and strategies might improve the investment program and whether they should be implemented.
7. Provide advice and recommendations on various other investment policy issues including, but not limited to, currency management, derivatives, rebalancing, use of soft dollars, securities lending, proxy voting, etc.

Investment Manager Oversight, Search, and Selection

1. Provide advice and recommendations on investment manager allocation and structure, manager mandates and performance benchmarks.
2. Provide on-going monitoring and oversight of investment managers to ensure compliance with laws and regulations, investment policies and manager mandates.
3. Facilitate and/or participate with staff in annual investment manager meetings to discuss performance, product, and organizational issues.
4. Advise on manager retention/termination and assist in developing a manager monitoring procedure.
5. Provide investment manager search and selection services including RFP issuance if appropriate.
6. Assist with negotiating appropriate investment management fees and with monitoring and evaluating manager trading and transaction costs, where applicable.

Performance Evaluation and Reporting

1. Compare the investment performance of the total fund, asset classes and investment managers to relevant benchmarks and “peer group” samples.
2. Conduct performance attribution analysis to determine the value added by investment policy, asset allocation and security selection.
3. Present performance reports on a quarterly basis to the Board and provide a preliminary monthly performance report for the Board’s review.
4. Recommend appropriate performance benchmarks for the total fund, each asset class,

portfolio composite and investment manager.

5. Provide access to performance evaluation and attribution analytics, tools and software.
6. Coordinate with the custodian bank or investment managers to access monthly and quarterly investment activity.
7. Assist MCERA staff with investment related issues as needed.

Client Service and Education

1. Attend four (4) regular monthly meetings of the Board a year to present quarterly performance reports. Additional attendance in person or via video conference will also be required at regular or special meetings involving relevant investment matters.
2. Prepare and present quarterly reports on investment performance.
3. Coordinate effectively with staff, the actuary and the custodian bank.
4. Respond to inquiries between meetings in an appropriate and timely manner.
5. Report any significant changes in the firm's ownership, organizational structure and personnel in a timely manner.
6. Assist with occasional special projects as needed.
7. Provide all other investment advisory-related services as requested.
8. Provide education to Board and staff on investment issues and participate in ad hoc workshops as requested by the Board.
9. Make available all firm research, including proprietary research, and ensure research staff are available for consultation with MCERA representatives.

Review, Selection, and Search for Other Investment-Related Vendors

1. Provide advice and recommendations on custodial arrangements (including custodian search and review services).
2. Assist with evaluation, search and selection involving other investment-related consultants and vendors as required.

Exhibit B – Minimum Qualifications Certification

All firms submitting a proposal in response to this RFP are required to sign and return this attachment, along with written evidence of how the respondent meets each qualification.

The undersigned hereby certifies that it fulfills the minimum qualifications outlined below, as well as the requirements contained in the RFP. Failure to satisfy each of the minimum qualifications will result in the immediate rejection of the proposal.

Minimum Qualifications include:

1. The firm must be an SEC-registered investment advisor or exempt from registration. If exempt, the firm must explain the nature of their exemption from registration.
2. The firm must provide investment consulting services to clients with aggregate assets totaling at least \$15 billion.
3. The primary consultant assigned to the MCERA account must have a minimum of five (5) years of experience providing domestic and international investment consulting services to public and/or private pension plans, the last three years of which must have been with present firm or team.
4. As of December 31, 2025, the firm must have at least three (3) public pension fund clients, one of which must have assets in excess of three (3) billion U.S. dollars.
5. The firm must agree in its contract to (i) serve as a fiduciary with respect to its services and (ii) defend, indemnify and hold harmless MCERA (and its indemnified parties) for claims, expenses, losses, damages, etc. related to acts or omissions by the firm that are not consistent with the fiduciary standard of care, breaches of representations and warranties, and material misrepresentations.
6. The firm must agree to disclose all conflicts of interest, all sources of revenue and all affiliations. Disclose annually to MCERA any revenues, income, fee breaks, soft dollars, hotel, and travel expense, or other items of significant monetary value received by the firm or any affiliates from investment managers, general partners, brokerage firms, investment banks, or other financial services businesses.
7. The firm must have all necessary permits and licenses. Liability as well as errors and omissions insurance must be in full force at the time the proposal is submitted and must be maintained throughout the term of the contract.
8. The firm must warrant that all information and statements in this RFP are complete and true. Any statement or claim found to be incomplete, misleading, or false will be grounds for immediate disqualification or dismissal and may be subject to legal action.

The undersigned hereby certifies that they are an individual authorized to bind the Firm contractually, and said signature authorizes verification of this information.

Authorized Signature

Date

Name and Title (please print)

Name of Firm

Exhibit C – Proposal Cover Page and Checklist

(TO BE SUBMITTED ON FIRM'S LETTERHEAD)

Respondent Name:

Respondent Address:

By submitting this response, the undersigned hereby affirms and represents that they have reviewed the proposal requirements and have submitted a complete and accurate response to the best of their knowledge. By signing below, I hereby affirm that the respondent has reviewed the entire RFP and intends to comply with all requirements.

Respondent specifically acknowledges the following:

1. Respondent possesses the required technical expertise and has sufficient capacity to provide the services outlined in the RFP.
2. Respondent has no unresolved questions regarding the RFP and believes that there are no ambiguities in the scope of services.
3. The fee schedule submitted in response to the RFP is for the entire scope of services and no extra charges or expenses will be paid by MCERA.
4. Respondent has completely disclosed to MCERA all facts bearing upon any possible interests, direct or indirect, that Respondent believes any member of MCERA, or other officer, agent, or employee of MCERA presently has, or will have, in this contract, or in the performance thereof, or in any portion of the profits thereunder.
5. Materials contained in the proposal and all correspondence and written questions submitted during the RFP process are subject to disclosure pursuant to the California Public Records Act.
6. Respondent is not currently under investigation by any state or federal regulatory agency for any reason.
7. Except as specifically noted in the proposal, respondent agrees to all of the terms and conditions included in MCERA Services Agreement.
8. The signatory below is authorized to bind the respondent contractually.

Authorized Signature

Date

Name and Title (please print)

Name of Firm

Exhibit D – Fixed Fee Proposal

Sample Fixed Fee Proposal

Name of Proposing Firm:

Fees must be submitted in U.S. dollars in the format prescribed below. The proposed fixed fee must include all costs and expenses related to providing full-service investment consulting services as described in this RFP, including travel. Other unusual or extraordinary expenses may be allowed, but only if requested by the Proposer and authorized by MCERA. The proposed fixed fee must be guaranteed for the initial four-year term of the contract. Respondent warrants that the proposed fees do not exceed those charged any other client for the same services.

The Proposer must state a firm, fixed price for general investment consulting services as described herein, in accordance with the terms and conditions of this document.

Flat Fee for Year 1	Flat Fee for Years 2 – 4 with CPI indexing for Years 3-4, using Year 2 as baseline	Optional itemized, unbundled pricing subject to a NTE maximum fee in Year 1	Itemized unbundled pricing subject to flat maximum NTE fee in years 2-4 (no CPI indexing)
\$	\$	NTE: \$ _____ in Year 1	NTE: \$ _____ in Year 2-4
	(optional) Use this column to name specific services to be priced in your unbundled fees in adjoining columns.	Insert specific rates for unbundled pricing here and in additional rows as needed.	Insert specific rates for unbundled pricing here and in additional rows as needed.

Mandatory flat-fee (with CPI escalator in Years 3-4) and itemized pricing: All proposers MUST provide a fee quote on a flat-fee basis. The flat fee for Year 1 of the engagement may be higher than following years to account for transitional expenses associated with setting up a new relationship, initial asset allocation and asset/liability studies, portfolio restructuring and manager searches, and manager replacements that often occur in the first year of a multi-year consulting engagement. MCERA will expect to compensate all consultants with a CPI-based fee increase in Years 3-4 using Year 2 flat fees as the basis for inflation escalation.

Bidders may ***electively*** quote or decline itemized (unbundled) pricing for specific services (preferably using the provided schedule) subject to a not-to-exceed (NTE) price ceiling for each year that you must provide for Year 1 and Years 2-4 without CPI escalation. (i.e., your ceiling for this pricing can be higher in Year 1 if you provide an unbundled pricing option).

All respondents are advised that fee proposals and related pricing information submitted in a response to this RFP (i) will be disclosed if sought in a public records request, even if marked as confidential trade secrets, and (ii) also may be disclosed and discussed at a public meeting of the Investment Committee if the Committee so directs, even in the absence of a public records request. Firms who cannot accept this should not submit a response to this RFP.

Authorized Signature

Date

Name and Title (please print)

Exhibit E – Agreement for Services

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION STANDARD SERVICES AGREEMENT

This Agreement, dated as of [DATE] is by and between the Mendocino County Employees Retirement Association, hereinafter referred to as "MCERA", and [FIRM NAME], hereinafter referred to as "CONSULTANT".

WITNESSETH

Whereas, MCERA may retain independent CONSULTANTS to perform special services to or for MCERA; and

Whereas, MCERA desires to obtain CONSULTANT for its [SERVICES]; and

Whereas, CONSULTANT is professionally qualified to provide such services and is willing to provide same to MCERA;

Now, Therefore, it is agreed that MCERA does hereby retain CONSULTANT to provide the services described in Exhibit "A", and CONSULTANT accepts such engagement, on the General Terms and Conditions hereinafter specified in this Agreement, the Additional Provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

- Exhibit A Definition of Services
- Exhibit B Payment Terms
- Exhibit C Insurance Requirements
- Exhibit D Privacy and Data Protection; Security Events

The term of this Agreement shall be from the date this agreement becomes fully executed by all parties (the "Effective Date") and shall continue through [DATE].

The compensation payable to CONSULTANT hereunder shall not exceed [SPELLED OUT CONTRACT AMOUNT] dollars (\$[NUMERICAL AMOUNT]) for the term of this Agreement.

In Witness Whereof, the parties hereto have executed this Agreement as of the effective date above.

MENDOCINO COUNTY EMPLOYEES [FIRM NAME]
RETIREMENT ASSOCIATION

By: _____

Doris L. Rentschler, CFP

Executive Director

By: _____

[NAME]

[TITLE]

**NAME AND ADDRESS OF
CONSULTANT:**

LEGAL COUNSEL REVIEW:

Approved as to Form:

By: _____

Jeff Berk, Legal Counsel

GENERAL TERMS AND CONDITIONS

1. **INDEPENDENT CONSULTANT:** No relationship of employer and employee is created by this Agreement; it being understood and agreed that CONSULTANT is an Independent CONSULTANT. CONSULTANT is not the agent or employee of MCERA in any capacity whatsoever, and MCERA shall not be liable for any acts or omissions by CONSULTANT nor for any obligations or liabilities incurred by CONSULTANT.

CONSULTANT shall have no claim under this Agreement or otherwise, for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance medical care, hospital care, retirement benefits, social security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind.

CONSULTANT shall be solely liable for and obligated to pay directly all applicable payroll taxes (including federal and state income taxes) or contributions for unemployment insurance or old age pensions or annuities which are imposed by any governmental entity in connection with the labor used or which are measured by wages, salaries or other remuneration paid to its officers, agents or employees and agrees to indemnify and hold MCERA harmless from any and all liability which MCERA may incur because of CONSULTANT'S failure to pay such amounts.

In carrying out the work contemplated herein, CONSULTANT shall comply with all applicable federal and state workers' compensation and liability laws and regulations with respect to the officers, agents and/or employees conducting and participating in the work; and agrees that such officers, agents, and/or employees will be considered as Independent CONSULTANTS and shall not be treated or considered in any way as officers, agents and/or employees of MCERA.

CONSULTANT does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with all applicable federal, state and County laws, ordinances, regulations, titles, departmental procedures and currently approved methods and practices in his/her field and that the sole interest of MCERA is to insure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by MCERA.

Notwithstanding the foregoing, if MCERA determines that pursuant to state and federal law CONSULTANT is an employee for purposes of income tax withholding, MCERA may upon two weeks' notice to CONSULTANT, withhold from payments to CONSULTANT hereunder federal and state income taxes and pay said sums to the federal and state governments.

2. **STANDARD OF CARE:** MCERA has relied upon the professional ability and training of CONSULTANT as a material inducement to enter into this Agreement. CONSULTANT hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirement of

applicable federal, state and local laws, it being understood that acceptance of CONSULTANT'S work by MCERA shall not operate as a waiver or release.

3. **PERFORMANCE STANDARD:** CONSULTANT shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in CONSULTANT'S profession. CONSULTANT hereby agrees to provide all services under this Agreement in accordance with generally accepted professional practices and standards of care, as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of CONSULTANT'S work by MCERA shall not operate as a waiver or release. If MCERA determines that any of CONSULTANT'S work is not in accordance with such level of competency and standard of care, MCERA, in its sole discretion, shall have the right to do any or all of the following: (a) require CONSULTANT to meet with MCERA to review the quality of the work and resolve matters of concern; (b) require CONSULTANT to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 4; or (d) pursue any and all other remedies at law or in equity.

4. **ASSIGNED PERSONNEL:** CONSULTANT shall assign only competent personnel to perform work hereunder. In the event that at any time MCERA, in its sole discretion, desires the removal of any person or persons assigned by CONSULTANT to perform work hereunder, CONSULTANT shall remove such person or persons immediately upon receiving written notice from MCERA.

In the event that any of CONSULTANT'S personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors, CONSULTANT shall immediately notify MCERA and shall be responsible for timely provision of adequately qualified replacements.

5. **INDEMNIFICATION:** CONSULTANT agrees to indemnify, defend, and save harmless the MCERA, its officers, agents, and employees, and each of them, from that portion of any and all actions, claims, costs, demands, liabilities, losses, damages, and expenses, including reasonable attorney's fees, for injuries to persons, or damage to property, proximately caused by the negligence of CONSULTANT or CONSULTANT'S officers, agents, or employees.

CONSULTANT further agrees that they shall provide services under this Agreement in skillful and competent manner in accordance with the acceptable standards of professional and enrolled actuaries. CONSULTANT agrees to indemnify, defend and hold harmless the MCERA, its officers, agents, and employees, and each of them, from any portion of any and all actions, claims, costs, demands, liabilities, losses, damages, and expenses (including reasonable attorney's fees) arising out of any negligent errors or omissions by CONSULTANT in the provision of services under this Agreement.

6. **INSURANCE AND BOND:** CONSULTANT, at the CONSULTANT'S sole cost and expense, shall at all times during the term of the Agreement with MCERA maintain in force those

insurance policies and bonds as designated in the attached Exhibit C and will comply with all those requirements as stated therein.

7. **WORKERS' COMPENSATION:** CONSULTANT shall provide Workers' Compensation insurance, as applicable and as required by law, at CONSULTANT'S own cost and expense and further, neither CONSULTANT nor its carrier shall be entitled to recover from MCERA any costs, settlements, or expenses of Workers' Compensation claims arising out of this Agreement.

8. **CONFORMITY WITH LAW AND SAFETY:**

a. In performing services under this Agreement, CONSULTANT shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services, including all applicable provisions of the California Occupational Safety and Health Act. CONSULTANT shall indemnify and hold MCERA harmless from any and all liability, fines, penalties and consequences from any of CONSULTANT'S failures to comply with such laws, ordinances, codes and regulations.

b. **Accidents:** If a death, serious personal injury or substantial property damage occurs in connection with CONSULTANT'S performance of this Agreement, CONSULTANT shall immediately notify MCERA by telephone. CONSULTANT shall promptly submit to MCERA a written report, in such form as may be required by MCERA of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of CONSULTANT'S, if any; (3) name and address of CONSULTANT'S liability insurance carrier; and (4 CONSULTANT) a detailed description of the accident and whether any of MCERA's equipment, tools, material, or staff were involved.

c. CONSULTANT further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to MCERA the opportunity to review and inspect such evidence, including the scene of the accident.

9. **Privacy and Data Protection; Security Events & Artificial Intelligence.** See Exhibit D.

10. **PAYMENT:** For services performed in accordance with this Agreement, payment shall be made to CONSULTANT as provided in Exhibit B hereto.

11. **TRAVEL EXPENSES:** CONSULTANT shall not be allowed or paid travel expenses unless set forth in this Agreement.

12. **TAXES:** Payment of all applicable federal, state, and local taxes shall be the sole responsibility of CONSULTANT.

13. **OWNERSHIP OF DOCUMENTS:** CONSULTANT hereby assigns to MCERA and its assignees all copyright and other use rights in any and all proposals, plans, specification, designs,

drawings, sketches, renderings, models, reports and related documents (including computerized or electronic copies) respecting in any way the subject matter of this Agreement, whether prepared by MCERA, CONSULTANT, CONSULTANT'S CONSULTANTS or third parties at the request of CONSULTANT (collectively, "Documents and Materials"). This explicitly includes the electronic copies of all above stated documentation.

CONSULTANT also hereby assigns to MCERA and its assignees all copyright and other use rights in any Documents and Materials including electronic copies stored in CONSULTANT'S Information System, respecting in any way the subject matter of this Agreement.

CONSULTANT shall be permitted to retain copies, including reproducible copies and computerized copies of said Documents and Materials. CONSULTANT agrees to take such further steps as may be reasonably requested by MCERA to implement the aforesaid assignment. If for any reason said assignment is not effective, CONSULTANT hereby grants MCERA and any assignee of MCERA an express royalty – free license to retain and use said Documents and Materials. MCERA'S rights under this paragraph shall apply regardless of the degree of completion of the Documents and Materials and whether or not CONSULTANT'S services as set forth in Exhibit "A" of this Agreement have been fully performed or paid for.

In CONSULTANT'S contracts with other CONSULTANTS, CONSULTANT shall expressly obligate its CONSULTANTS to grant MCERA the aforesaid assignment and license rights as to that CONSULTANT'S Documents and Materials. CONSULTANT agrees to defend, indemnify and hold MCERA harmless from any damage caused by a failure of CONSULTANT to obtain such rights from its CONSULTANTS and/or CONSULTANTS.

CONSULTANT shall pay all royalties and license fees which may be due for any patented or copyrighted materials, methods or systems selected by CONSULTANT and incorporated into the work as set forth in Exhibit "A", and shall defend, indemnify and hold MCERA harmless from any claims for infringement of patent or copyright arising out of such selection.

MCERA'S rights under this Paragraph 13 shall not extend to any computer software used to create such Documents and Materials.

14. CONFLICT OF INTEREST; CONFIDENTIALITY: CONSULTANT has read and is aware of provisions of Government Code sections 1090 and 87100 et. Seq. and covenants that it has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this Agreement. Unless CONSULTANT obtains MCERA's informed written consent, CONSULTANT represents to and agrees with MCERA that CONSULTANT has no present and will have no future conflict of interest between providing MCERA services hereunder and any other person or entity (including but not limited to any federal or state wildlife, environmental or regulatory agency) which has any interest adverse or potentially adverse to MCERA, as determined in the reasonable judgment of Retirement Administrator.

CONSULTANT acknowledges that when performing under this Agreement, it may be exposed to highly confidential member records and that such records are protected by law from public disclosure. CONSULTANT agrees that any information, whether proprietary or not, made known to or discovered by it during the performance of or in connection with this Agreement for MCERA, will be kept confidential and not be disclosed to any other person. CONSULTANT agrees to immediately notify MCERA by notices provided in accordance with Paragraph 15 of this Agreement, if it is requested to disclose any information made known to or discovered by it during the performance of or in connection with this Agreement.

CONSULTANT agrees to comply with MCERA's Conflict of Interest Policy by submitting a Form 700 with the FPPC each calendar year consistent with Government Code 87200.

15. NOTICES: All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:

Personal delivery: When personally delivered to the recipient, notices are effective on delivery.

First Class Mail: When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three (3) mail delivery days after deposit in a United States Postal Service office or mailbox. Certified Mail: When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.

Overnight Delivery: When delivered by overnight delivery (Federal Express/Airborne/United Parcel Service/DHL WorldWide Express) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

Telex or facsimile transmission: When sent by telex or facsimile to the last telex or facsimile number of the recipient known to the party giving notice, notice is effective on receipt, provided that (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given by telex or facsimile shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day. Addresses for purpose of giving notice are as follows:

To MCERA: Mendocino County Employees
Retirement Association
625-B Kings Court
Ukiah, CA 95482

To CONSULTANT: [CONSULTANT FIRM NAME]
[FIRM ADDRESS]
[FIRM ADDRESS]
Attn: [NAME]

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or telex or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

16. USE OF MCERA PROPERTY: CONSULTANT shall not use MCERA property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.

17. EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS: CONSULTANT certifies that it is in compliance with the Equal Employment Opportunity Requirement of Executive Order 11246, as amended by Executive Order 11375 and supplemented I 45CFR, Part 60, Title VII of the Civil Rights Act and any other federal or state laws pertaining to equal employment opportunity and that it shall not discriminate against any employee or applicant for employment on the basis of race, color, religion, age, sex, national origin, ancestry, marital status, political affiliation or physical or mental condition, in matters pertaining to recruitment, hiring, training, upgrading, transfer, compensation or termination.

a. CONSULTANT shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.

b. CONSULTANT shall, if requested to so do by MCERA, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.

c. If requested to do so by MCERA, CONSULTANT shall provide MCERA with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.

d. Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act, which is prohibited by law.

e. CONSULTANT shall include the provisions set forth in paragraphs A through E (above) in each of its subcontracts.

18. DRUG-FREE WORKPLACE: CONSULTANT and CONSULTANT'S employees shall comply with MCERA'S policy of maintaining a drug-free workplace. Neither CONSULTANT nor CONSULTANT'S employees shall unlawfully manufacture, distribute, dispense, possess or use

controlled substances, as defined in 21 U.S. Code § 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at any MCERA facility or work site. If CONSULTANT or any employee of CONSULTANT is convicted or pleads *nolo contendere* to a criminal drug statute violation occurring at a MCERA facility or work site, CONSULTANT, within five days thereafter, shall notify the Administrator of MCERA. Violation of this provision shall constitute a material breach of this Agreement.

19. ENERGY CONSERVATION: CONSULTANT agrees to comply with the mandatory standards and policies relating to energy efficiency in the State of California Energy Conservation Plan, (Title 24, California Code of Regulations), if applicable.

20. COMPLIANCE WITH LICENSING REQUIREMENTS: CONSULTANT shall comply with all necessary licensing requirements and shall obtain appropriate licenses and display the same in a location that is reasonably conspicuous, as well as file copies of same with the office of MCERA.

21. AUDITS; ACCESS TO RECORDS: CONSULTANT shall make available to MCERA, its authorized agents, officers, or employees, for examination any and all ledgers, books of accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to the expenditures and disbursements charged to MCERA, and shall furnish to MCERA, its authorized agents, officers or employees such other evidence or information as MCERA may require with regard to any such expenditure or disbursement charged by CONSULTANT.

CONSULTANT shall maintain full and adequate records in accordance with MCERA requirements to show the actual costs incurred by CONSULTANT in the performance of this Agreement. If such books and records are not kept and maintained by CONSULTANT within the County of Mendocino, California, CONSULTANT shall, upon request of MCERA, make such books and records available to MCERA for inspection at a location within County or CONSULTANT shall pay to MCERA the reasonable, and necessary costs incurred by MCERA in inspecting CONSULTANT'S books and records, including, but not limited to, travel, lodging and subsistence costs. CONSULTANT shall provide such assistance as may be reasonably required in the course of such inspection. MCERA further reserves the right to examine and reexamine said books, records and data during the four (4) year period following termination of this Agreement or completion of all work hereunder, as evidenced in writing by MCERA, and CONSULTANT shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatsoever for four (4) years after MCERA makes the final or last payment or within four (4) years after any pending issues between MCERA and CONSULTANT with respect to this Agreement are closed, whichever is later.

22. DOCUMENTS AND MATERIALS: CONSULTANT shall maintain and make available to MCERA for its inspection and use during the term of this Agreement, all Documents and Materials, as defined in Paragraph 12 of this Agreement. CONSULTANT'S obligations under the preceding sentence shall continue for four (4) years following termination or expiration of this Agreement or the completion of all work hereunder (as evidenced in writing by MCERA), and CONSULTANT shall in

no event dispose of, destroy, alter or mutilate said Documents and Materials, for four (4) years following MCERA'S last payment to CONSULTANT under this Agreement.

23. TIME OF ESSENCE: Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

24. TERMINATION: MCERA has and reserves the right to suspend, terminate or abandon the execution of any work by CONSULTANT without cause at any time upon giving to CONSULTANT 30 days prior written notice. In the event that MCERA should abandon, terminate or suspend CONSULTANT'S work, CONSULTANT shall be entitled to payment for services provided prior to the effective date of said suspension, termination or abandonment. Said payment shall be computed in accordance with Exhibit B hereto, provided that the maximum amount payable to CONSULTANT for its [CONSULTING TYPE] services shall not exceed (\$[NUMERICAL AMOUNT]) payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment.

25. CHOICE OF LAW/VENUE: This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws. This Agreement has been entered into and is to be performed in the County of Mendocino. Accordingly, the parties agree that the venue of any action relating to this Agreement will be in the County of Mendocino.

26. ADVERTISING OR PUBLICITY: CONSULTANT shall not use the name of MCERA, its officers, directors, employees or agents, in advertising or publicity releases or otherwise without securing the prior written consent of MCERA in each instance.

27. ENTIRE AGREEMENT: This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire agreement between MCERA and CONSULTANT relating to the subject matter of this Agreement. As used herein, Agreement refers to and includes any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. The Agreement may not be modified except by a written document signed by both parties.

28. HEADINGS: herein are for convenience of reference only and shall in no way affect interpretation of the Agreement.

29. MODIFICATION OF AGREEMENT: This Agreement may be supplemented, amended or modified only by the mutual agreement of the parties. No supplement, amendment or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both parties.

30. ASSURANCE OF PERFORMANCE: If at any time MCERA believes CONSULTANT may not be adequately performing its obligations under this Agreement or that CONSULTANT may fail to complete the Services as required by this Agreement, MCERA may request from CONSULTANT prompt written assurances of performance and a written plan acceptable to MCERA, to correct the observed deficiencies in CONSULTANT'S performance. CONSULTANT shall provide such written assurances and written plan within ten (10) calendar days of its receipt of MCERA'S request and shall thereafter diligently commence and fully perform such written plan. CONSULTANT acknowledges and agrees that any failure to provide such written assurances and written plan within the required time is a material breach under this Agreement.

31. SUBCONTRACTING/ASSIGNMENT: CONSULTANT shall not subcontract, assign or delegate any portion of this Agreement or any duties or obligations hereunder without MCERA'S prior written approval.

a. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any agreement that violates this Section shall confer no rights on any party and shall be null and void.

b. CONSULTANT shall use the CONSULTANTS identified in Exhibit A and shall not substitute CONSULTANTS without MCERA'S prior written approval.

c. CONSULTANT shall remain fully responsible for compliance by its CONSULTANTS with all the terms of this Agreement, regardless of the terms of any agreement between CONSULTANT and its CONSULTANTS.

32. SEVERABILITY: If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this Agreement would be defeated by the loss of the illegal, unenforceable, or invalid provision.

33. PATENT AND COPYRIGHT INDEMNITY: CONSULTANT represents that it knows of no allegations, claims, or threatened claims that the materials, services, hardware or software ("CONSULTANT Products") provided to MCERA under this Agreement infringe any patent, copyright or other proprietary right.

CONSULTANT shall defend, indemnify and hold harmless MCERA of, from and against all losses, claims, damages, liabilities, costs expenses and amounts (collectively, "Losses") arising out of or in connection with an assertion that any CONSULTANT Products or the use thereof, infringe any patent, copyright or other proprietary right of any third party.

a. MCERA will: (1) notify CONSULTANT promptly of such claim, suit or assertion; (2) permit CONSULTANT to defend, compromise, or settle the claim; and (3) provide, on a reasonable basis, information to enable CONSULTANT to do so. CONSULTANT shall not agree without

MCERA's prior written consent to any settlement, which would require MCERA to pay money or perform some affirmative act in order to continue using CONSULTANT Products.

b. If CONSULTANT is obligated to defend MCERA pursuant to this Section 32 and fails to do so after reasonable notice from MCERA, MCERA may defend itself and/or settle such proceeding, and CONSULTANT shall pay to MCERA any and all losses, damages and expenses (including attorney's fees and costs) incurred in relationship with MCERA's defense and/or settlement of such proceeding.

c. In the case of any such claim of infringement, CONSULTANT shall either, at its option, (1) procure for MCERA the right to continue using CONSULTANT Products; or (2) replace or modify CONSULTANT Products so that they become non-infringing, but equivalent in functionality and performance.

d. Notwithstanding this Section, MCERA retains the right and ability to defend itself, at its own expense, against any claims that CONSULTANT Products infringe any patent, copyright, or other intellectual property right.

34. WEB CONTENT ACCESSIBILITY GUIDELINES: CONSULTANTS are required to adhere to current web content accessibility guidelines (WCAG) for Level AA conformance for all materials provided by the CONSULTANT that may be posted to MCERA's website.

[END OF GENERAL TERMS AND CONDITIONS]

EXHIBIT A

DEFINITION OF SERVICES

CONSULTANT shall provide the following services:

Per Proposal dated [DATE].

[INSERT SERVICES]

[END OF DEFINITION OF SERVICES]

EXHIBIT B

PAYMENT TERMS

[INSERT FEE SCHEDULE]

A supplemental mutually consented agreement shall be made for any additional professional services. No supplement, amendment or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both parties.

[END OF PAYMENT TERMS]

EXHIBIT C

INSURANCE REQUIREMENTS

Insurance coverage in a minimum amount set forth herein shall not be construed to relieve CONSULTANT for liability in excess of such coverage, nor shall it preclude MCERA from taking such other action as is available to it under any other provisions of this Agreement or otherwise in law.

CONSULTANT agrees to indemnify and hold harmless MCERA, its elected or appointed officials, employees or volunteers against any claims, actions, or demands against them, or any of them, and against any damages, liabilities or expenses, including costs of defense and attorneys' fees, for personal injury or death, or for the loss or damage to the property, or any or all of them, to the extent arising out of the performance of this Agreement by CONSULTANT.

CONSULTANT shall obtain and maintain insurance coverage as follows:

- a. Automobile Liability - \$1,000,000 per occurrence, \$2,000,000 aggregate
- b. Professional Liability - \$5,000,000 per occurrence, \$5,000,000 aggregate
- c. Cyber Security Liability - \$2,000,000 per occurrence, \$5,000,000 aggregate
- d. Fidelity Insurance - \$5,000,000 per occurrence
- e. Umbrella Liability - \$8,000,000 per occurrence, \$8,000,000 aggregate
- f. Commercial Liability - \$2,000,000 per occurrence, \$5,000,000 aggregate
- g. Workers' Compensation and Employers Liability Insurance – with statutory limits in accordance with the provisions of section 3700 of the California Labor Code.

Standards for Insurance Companies: Insurers shall have an A.M. Best's rating of at least A:VII or equivalent.

Documentation: CONSULTANT is required to provide Evidence of Coverage for all required insurance policies. Required Evidence of Coverage shall be submitted for any renewal or replacement policy that already exists, at least ten (10) days before expiration or other termination of existing policy.

CONSULTANT shall provide immediate written notice if: (1) any of the required insurance policies are terminated; or (2) the limits of any required policy are reduced.

Material Breach: If CONSULTANT fails to maintain insurance coverage required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. MCERA, at its sole option, may terminate the agreement. Alternatively, MCERA may purchase the required insurance coverage, and without further notice to CONSULTANT, MCERA may deduct from sums due to CONSULTANT any premium cost advanced by MCERA for such insurance. This remedy shall be in addition to any other remedies available.

[END OF INSURANCE REQUIREMENTS]

EXHIBIT D

PRIVACY AND DATA PROTECTION, SECURITY EVENTS & ARTIFICIAL INTELLIGENCE

PRIVACY AND DATA PROTECTION, SECURITY EVENTS

CONSULTANT will ensure that its use of all MCERA information will comply with all applicable laws relating to the privacy of MCERA members or the protection of their personal data promulgated.

CONSULTANT acknowledges that certain information may contain personally identifiable information (“PII”), including sensitive data such as unique device identifiers or credit card information. CONSULTANT will be responsible for any unauthorized access, use, reproduction, distribution, disposition, disclosure, possession, damage, or other activity (“Unauthorized Use”).

CONSULTANT will implement and maintain administrative, physical, and technical safeguards that are designed to prevent any unauthorized access (“Safeguards”). The Safeguards will include, at a minimum, a data security program which integrates technology-based security measures, policies, procedures, and practices, and ongoing education and awareness designed to protect the security of the information that includes PII and which meets the standards of general industry practice to safeguard such information.

CONSULTANT represents and warrants that the CONSULTANT has not suffered an actual or reasonably suspected security breach involving such information. CONSULTANT will transmit, transfer, and deliver all PII in accordance with applicable law and applicable industry standards. If member information is to be shared back and forth, all transfers of such information between MCERA and CONSULTANT will be in an agreed-upon secure format.

If CONSULTANT discovers or is notified of a security breach (a “Security Event”), CONSULTANT will immediately notify MCERA of such Security Event and of any data involved, and, if required by law or warranted under the circumstances, promptly notify applicable law enforcement and regulatory authorities of such Security Event. All such notices will be subject to MCERA’s prior review and approval in each case. In addition, CONSULTANT will fully cooperate with MCERA; provide MCERA with a plan to remediate such Security Event and avoid its recurrence; and unless prohibited by an applicable statute or court order, notify MCERA of any legal process relating to any Security Event. The Parties will fully cooperate with each other in all respects regarding the Security Event, including (i) investigating and curing the Security Event, and (ii) assisting the other Party in investigating, remedying and taking any other action such other Party deems necessary regarding any Security Event and any dispute, inquiry, or claim that concerns such Security Event, and (iii) providing the other Party with assurances reasonably satisfactory to such other Party that such Security Event will not recur.

CONSULTANT's actions under this Section will not limit its obligation to indemnify MCERA or any of MCERA's other rights or remedies under this Agreement or otherwise.

ARTIFICIAL INTELLIGENCE

CONSULTANT shall not use any confidential data provided by MCERA with any Artificial Intelligence (AI) system or model. This prohibition includes, but is not limited to, the collection, processing, storage, handling, or utilization of data for the training, development, or operation of Large Language Models (LLMs), algorithms, or similar AI products.

CONSULTANT shall follow limitations placed on the use of AI by the County of Mendocino AI Policy and MCERA specific AI Policy, if any.

In the event that MCERA data is inadvertently exposed to or processed by an AI system, the CONSULTANT shall immediately cease such processing and take all necessary steps to secure the data against further exposure. CONSULTANT shall also notify MCERA without undue delay and provide a detailed account of the incident, including measures taken to prevent future occurrences.

CONSULTANT commits to maintaining full transparency in the use of AI systems within the scope of services provided to MCERA. This includes providing detailed documentation of the AI systems employed, the nature of the data processed, and the decision-making processes influenced or carried out by AI.

CONSULTANT shall be fully accountable for all decisions made with the assistance of AI systems. This accountability extends to ensuring that such decisions are fair, unbiased, and in compliance with all applicable laws and ethical standards.

GENERAL OBLIGATIONS OF CONSULTANT

- a. Limit information system access to authorized users, authorized processes acting on behalf of authorized users, and authorized devices (including other information systems).
- b. Limit information system access to the types of transactions and functions that authorized users are permitted to execute.
- c. Verify and control connections to and use of external information systems.
- d. Control information posted or processed on publicly accessible information systems.
- e. Identify information system users, processes acting on behalf of users, or devices.
- f. Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.
- g. Sanitize or destroy information system media (i.e., any device containing MCERA data) before disposal or release for reuse of the media for another purposes.

- h. Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.
- i. Know and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices (i.e., badges.)
- j. Monitor, control, and protect organizational electronic communications (i.e., information transmitted or received by organizational information systems.)
- k. Create a separate subnetwork for third party users to access specific information that does not allow the third-party users to access or provide any information beyond that network to contain exposure to an untrusted source. (This is also known as DMZ – demilitarized zone.)
- l. Identify, report, and correct information and information system flaws in a timely manner.
- m. Provide protection from malicious code at appropriate locations within organizational information systems.
- n. Update malicious code protection mechanism when new releases are available.
- o. Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed to protect against malware.

INDEMNIFICATION

CONSULTANT shall defend, indemnify and hold harmless MCERA from any claims, damages, or losses arising from the unauthorized use of its data in connection with any of the above. This indemnification includes any misuse of data, breaches of data security, and violations of privacy rights.