

Investment Consultant RFQ Response

BID NUMBER 10-110



Statement of Qualification for **Retirement Boards of Trustees**

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north pier
Fiduciary
Management

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PROPOSAL FORM - PAGE 1

SUBMITTED BY:

Company Name: North Pier Fiduciary Management LLC
Address: 400 Corporate Park #300 City: Wolver City
State: CA Zip: 90230 Phone: (800) 403 7065
Facsimile: (310) 694-3036

CERTIFICATION: (If a Submission is Offered):

The undersigned hereby affirms that:

- He/she is a duly authorized agent of the Bidder;
- He/she has read the General Terms and Conditions, the Special Conditions and any technical specifications that were made available to the Bidder in conjunction with this Bid and fully understands and accepts these terms unless specific variations have been expressly listed on the Bid Proposal Form;
- The Submission is being offered independently of any other Bidder and in full compliance with the collusive prohibitions specified in the General Terms and Conditions of this solicitation; and
- The Bidder will accept any awards made to them as a result of this Solicitation for a minimum of ninety (90) calendar days following the date and time of the bid opening.

By: Brant J. Griffin
Manual Signature of Agent

3/31/10
Date

Brant J. Griffin
Typed/Printed Name of Agent

Partner
Title of Agent

Include Original with Submission

Affix Manual signature of authorized agent.

NO OFFER:

Indicate reason(s) why no offer is being submitted at this time.

PROPOSAL FORM - PAGE 2

PROMPT PAYMENT TERMS:

Discount: _____ % _____ Days

Net: _____ Days

VARIATIONS:

The Bidder shall identify all variations and exceptions taken to the General Terms and Conditions, the Special Conditions and any Technical Specifications in the space provided below; provided, however, that such variations are not expressly prohibited in the Bid documents. For each variation listed, reference the applicable section of the bid document. If no variations are listed here, it is understood that the Bidder's Proposal fully complies with all terms and conditions. It is further understood that such variations may be cause for determining that the Bid Proposal is non-responsive and ineligible for award:

Page #: _____ Item # or Section: _____

Variance _____

Page #: _____ Item # or Section: _____

Variance _____

Page #: _____ Item # or Section: _____

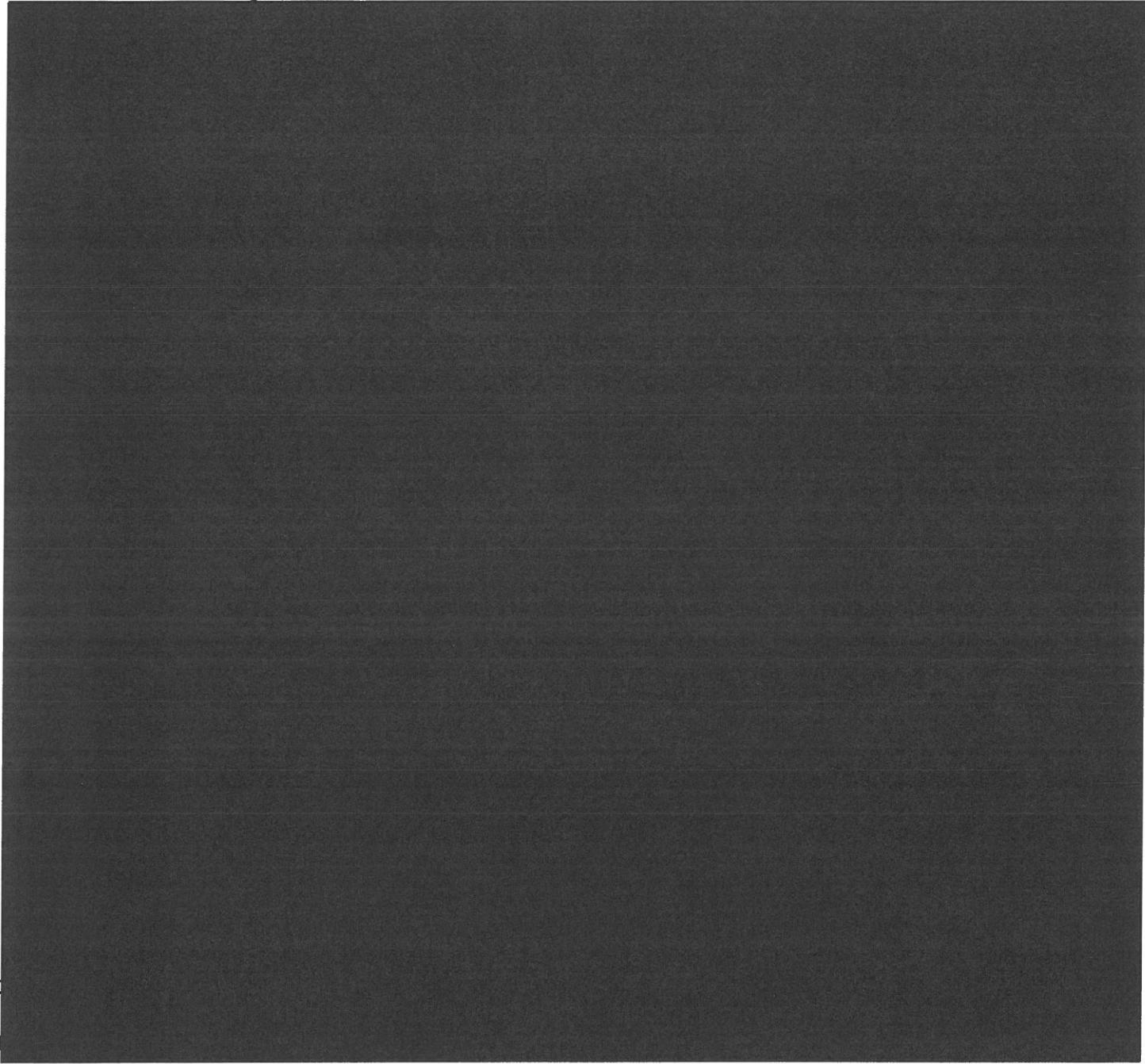
Variance _____

Page #: _____ Item # or Section: _____

Variance _____

PROPOSAL FORM - PAGE 3

REFERENCES: (MANDATORY)



Address: _____

Telephone No. _____ Fax No. _____

Describe type of work/service performed or items supplied: _____

NORTH Pier has never lost a plan client.

Expression of Interest

North Pier's partners are always eager to apply our extensive knowledge and experience in retirement plan consulting into new structures. We are excited about the opportunity to work with up to four independent boards that share the united culture of the City of Arvada. However, it is the commonality of the "pioneering spirit" which North Pier shares with the Arvada that makes us most excited about the opportunity to work with the City. In 2007, I met Victoria Runkle, the City of Arvada's Finance Director, at the San Francisco Mid-Sized Pension Management Conference. She imparted to me the story of how Arvada was a trailblazer in moving away from a pension structure into a completely participant-directed retirement system. The story left quite an impression on me; it was a story about doing what was truly in the best interest of city employees, regardless of whether the path had been clearly marked.

As mid-market dedicated retirement plan consultants, North Pier has always prided ourselves, in being pioneers in tomorrow's best-industry practices. Upon formation of our team in 2001, we took what, at the time was an extraordinarily rare stance in offering completely conflict-free, fully transparent advocacy for plan sponsors. Our service offerings and structure have been at the leading edge of the advisory industry ever since. We took this stance, not to improve our competitiveness, but simply because we knew it to be the best positioning for our plan clients and most importantly, their participants.

North Pier was not designed for scale, but rather for highly detailed, close partnerships with our clientele. If engaged by one or more of Arvada's retirement boards, you will be working directly with both partners of North Pier. Brant Griffin and I collectively share 30 years of experience consulting to sponsors of qualified retirement plans. We have both reviewed and fully embrace the requirements outlined in the City of Arvada's RFQ. The open-ended nature of the potential engagement(s) is of further motivation to us. The City of Arvada did not set out with an "order-form" search for a presupposed advisor relationship, nor are you to simply 'consuming' an advisor's set program for consulting (which is common of many scale-oriented firms). Instead, you have sought to find a consultant to partner with, collaborating to craft relationships that are tailored to each of your four boards' needs and cultures. Sadly, although this is the best way to find an advisor, we rarely see this approach. Again, we applaud your pioneering spirit.

Lastly, you have asked us to opine on the relevance of our experience as it applies to your potential engagement(s). Not only has Mr. Griffin consulted to clients of Great West during his tenure, but he has also worked internally with a prolific insurance provider in the earlier stages of his career. Thus, he has extensive knowledge of the interworking of those types of recordkeepers. I have in-depth experience working with the committees of public entities from my days as a consultant with the Oppenheimer Consulting Group. Further, we presently consult to clients of Fidelity and know how to optimize the relationships of clients of that organization as well.

As an advantage to working with North Pier's boutique practice is that we bring an unwavering level of attention to each client. We hope to be able to impart our interest in working with you in person as you make your way through the search process.

Business Description & Experience

1) Brief history: North Pier Fiduciary Management, LLC (North Pier) is an SEC Registered Investment Advisor dedicated to providing asset management to institutional clients and a full suite of advocacy services for plan fiduciaries. North Pier is the product of the 2008 lift out of the entire management, consulting and research staff of the Corporate Services Group of Oppenheimer & Co., Inc. Our team has been providing consulting services to defined contribution plans since its 2001 organizational inception. Jim Scheinberg and Brant Griffin, who collectively possess over 30 years of plan consulting experience, lead North Pier.

2) Location(s) size, structure, resources, website: North Pier currently maintains two offices.

Los Angeles Headquarters:
400 Corporate Pointe, 3rd Fl
Culver City, CA 90230

Branch office:
1288 Kapiolani, Suite 2301
Honolulu, HI 96814

As of 3/31/10, North Pier consults to approximately \$400,000,000 in assets under management (AUM). North Pier Fiduciary Management, LLC is a California Limited Liability Company wholly owned by its two partners, Jim Scheinberg and Brant Griffin. North Pier utilizes Markov Process International's Stylus Pro investment analytics suite and maintains subscriptions to Morningstar for global market and money manager data. Further, North Pier has access to extensive resources through its close affiliations with Investment Management Consultants Association (IMCA), the Center for Due Diligence (CFDD), American Society for Pension Actuaries (ASPA), Professionals in Human Resources (PIHRA) and the Center for Fiduciary Studies. North Pier conducts all analytics and produces all reports in-house. The firm's website can be found at www.npier.com. The site contains a client lockbox behind an SSL encrypted, Verisign identified portal for each client. Client lockboxes house all relevant client fiduciary files, governance documents, reports, meeting minutes and other data requested by the plan sponsor. Finally, North Pier utilizes Citrix Systems' GoToMeeting for online meetings and electronic employee education services. Although our technology resources are *available* to all clients, we tailor their application to the unique objectives of each client.

3) Major Services and Expertise: North Pier's main services include but are not limited to:

- Institutional Investment Consulting
- Retirement Plan Provider Search and Implementation
- Advisor Search and Implementation
- Fiduciary Process Management and Analysis
- Plan/cost Revenue Analysis
- Provider Negotiation Services
- Employee Education and Advice
- Plan Design Consulting
- Litigation Support

If retained, the consultants for the plans of the City of Arvada will be Jim Scheinberg and Brant Griffin. Both partners are recognized industry experts, regular speakers at industry conferences, and have served as expert witnesses for leading ERISA litigation attorneys. For more information, please see the "Staff Qualification" section of this RFQ.

4) Number of Current Clients: As of 3/31/10, North Pier has 27 clients.

5) Disclose any Business Associations with any investment provider or financial product vendor by which your firm is compensated: North Pier has no business associations with any investment providers, brokerages, or financial product vendors by which we receive compensation. We are a truly independent, fee-only, vendor neutral advisor with no conflicts of interest. One hundred percent of North Pier's compensation comes from our clients.

Experience:

North Pier's partners have each been providing consulting services for 401(a) plan sponsors for well over a decade, having advised over 100 plan sponsors collectively during our tenure. North Pier does not currently work with a city or other government entity or 457 plan; however, Managing Partner, Jim Scheinberg, does have in-depth experience working with the committees of government entities from his days as a consultant with the Oppenheimer Consulting Group (Please see bio).

Staff Qualifications

James Scheinberg CIMA®, AIFA®, PRP
Managing Partner, Chief Investment Officer
North Pier Fiduciary Management, LLC

Born and raised in the North Suburbs of Chicago, Jim Scheinberg came to Southern California in 1987 to pursue his B.A. in Political Science at University of California, Los Angeles. He achieved the Certified Investment Management Analyst (CIMA) designation in 2001 from The Investment Management Consultants Association (IMCA®) in conjunction with the Wharton School of Business of the University of Pennsylvania. He has also earned the Accredited Investment Fiduciary™ (AIF®) and Accredited Investment Fiduciary Analyst™ (AIFA®) designation, awarded by the Center for Fiduciary Studies, which is associated with the Joseph M. Katz Graduate School of Business of the University of Pittsburgh. He is one of the first 100 professionals to earn the PLANSPONSOR Retirement Professional designation (PRP) from PLANSPONSOR Institute and sits on the Steering Committee of The Center for Due Diligence. He is a quoted resource of journalists and a regular speaker at industry conferences. Jim also serves as an expert witness on Federal ERISA litigation.

Jim Scheinberg began his career in venture capital in 1990 moving to general securities with Smith Barney Harris Upham in 1992. He joined Oppenheimer & Co., Inc. in 1994 as an Associate in the Oppenheimer Consulting Group, the firm's institutional investment management consulting department, where he worked with sponsors of trustee-directed plans and other institutional clients. In 2001, Jim founded what would become the Corporate Services Group of Oppenheimer Co., Inc. (CSG), where he eventually held the position of Director and Senior Vice President. CSG was an industry pioneer in providing conflict free, fee-only investment consulting and fiduciary advocacy for institutional, participant-directed plan sponsors. In 2008, Jim and CSG Partner Brant Griffin founded North Pier Fiduciary Management LLC. His tenure in the industry has also included experience in hedging and monetization, corporate executive services, and corporate cash management.

Professional Activities

- Member of the Steering Committee of the Center for Due Diligence (Ethics Director)
- Member of the Investment Management Consultants Association (IMCA)
- Member of The Committee for the Fiduciary Standard

Notable Achievements

- Nominee - 401(k) Wire's 100 Most Influential People in Defined Contribution, 2009

Staff Qualifications

Brant J. Griffin, QKA, AIFA®, PRP
Partner, Chief Compliance Officer
North Pier Fiduciary Management, LLC

Originally from the Richmond, Virginia area, Brant earned his B.A. in Economics from Elon University in North Carolina. He attained the Qualified 401(k) Administrator (QKA) designation from the American Society of Pension Professionals and Actuaries (ASPPA). He has also earned the Accredited Investment Fiduciary Analyst™ (AIFA) designation, awarded by the Center for Fiduciary Studies, which is associated with the Joseph M. Katz Graduate School of Business of the University of Pittsburgh. Brant is one of the first 100 professionals to earn the PLANSPONSOR Retirement Professional designation (PRP) from the PLANSPONSOR Institute. He is an advisor to The Center for Due Diligence and a regular speaker at industry conferences.

In 1995, Brant commenced his career with T. Rowe Price & Associates as a Senior Retirement Plan Consultant where he advised emerging companies in the evaluation of their qualified plan options. In 1999, shortly after moving to California, Brant joined the Retirement Services Department of Oppenheimer and Co., Inc. where he rose to the position of Western Regional Director, managing the consulting efforts of over \$1.2 billion of qualified plans. In 2001, Brant and Jim's groups began working together on several joint cases building the framework for the formation of the Corporate Services Group (CSG) of Oppenheimer & Co. Inc. in 2003. CSG was an industry pioneer in providing conflict free, fee-only investment consulting and fiduciary advocacy for institutional, participant-directed plan sponsors. In 2008, Brant and Jim completed a lift-out the central members of CSG to found North Pier Fiduciary Management, LLC.

Professional Activities

- Member of the American Society of Pension Actuaries (ASPPA)
- Member of Professional in Human Resources (PIHRA)

Customer Service

North Pier is a boutique practice. Our team prides ourselves in our high service, low client per consultant model. Our organizational structure is similar to that of a law-firm where experienced partners are directly responsive to each of the firm's clients. We believe this format is superior to advisor structures that use customer service liaisons or field consultants who serve as conduits between the client and the more technically proficient members of the firm. Although these types of firms clearly receive the benefits of scale, we believe that the consulting experience often becomes watered down and liability gaps may ensue.

We have never lost a plan sponsor client since our team formed in 2001. Our internal service standard is to maintain our track record of 100% client retention by continuing to provide service excellence tailored to needs and expectations of our select clientele. Further, to maintain this record we endeavor to control our growth strategically by seeking clients who align with our firm's best-practice oriented culture and by restricting new major engagements to no more than four per consultant, per year. Each North Pier team member is guided by a standard of academic integrity, participant focused principles and more practically, a 24 hour return phone call/email policy.

Independent Investment Consulting

Academically correct. Conflict Free. Proven Process.



At North Pier, all of our research, fund selection, monitoring, and searches are done in- house. We stand behind our process and recommendations as fiduciaries to the plan.

Investment Review

Our primary objective with regards to investment consulting is to provide our clients with relevant information needed to make valid comparisons and informed decisions. One of our key strengths is not only our ability to interpret qualitative and quantitative data, but to communicate that information to the plan sponsors in a way that is meaningful, understandable, and actionable.

Utilizing our quantitative and qualitative process, North Pier thoroughly evaluates our client's investment lineup. Ultimately, we seek to create and implement an optimized, academically correct array of investment selections that are consistent with the guidelines and objectives expressed in the IPS. These are not just investments with different names, but rather, carefully selected managers providing true diversification amongst lowly correlated disciplines.

We first select an assortment of disciplines that represent the core of the capital markets:

Asset Class	Benchmark
Cash Equivalents	T-Bill, CD
Intermediate Fixed-Income	IP Aggregate Bond
Large Company Value	Russell 1000 Value
Large Company Growth	Russell 1000 Growth
Mid-Cap Core	Russell Mid-Cap
Small Company Value	Russell 2000 Value
Small Company Growth	Russell 2000 Growth
International	MSCI World ex US

We then look to add additional lowly correlated asset classes that would be appropriate for the sophistication level of the plan participants (in the case of participant-directed plans) and plan size (for trustee-directed plans). These potentially include Inflation Protected Securities, High Yield Bonds, International Large Company Value and Growth, International Small Company, Emerging Markets, and Alternative Investments.

In no instance do we support the inclusion of an investment choice that does not add diversification benefits beyond what is already available. Unnecessary investment options that overlap existing asset-class disciplines create confusion for plan participants who believe they are diversifying when they are not. Multiple, highly correlated investments existing in the same investment menu obscures and impairs the asset allocation process, and should be avoided.

Comparing Investment Managers



North Pier employs a proprietary system utilizing Markov Processes International's flagship returns based style analysis software, *Stylus Professional*. We dynamically interface with our platform to analyze, benchmark, monitor, and report on the investment options in our clients' plans. It is this disciplined, sophisticated, and impartial process that allows our clients to benefit from truly institutional-class analysis.

When analyzing investment options for possible inclusion in a plan menu, North Pier covets the following criteria:

Style Purity – The investment should be composed predominately of assets from the targeted asset class. Valuations should be consistent with stated styles. The investment's performance attributes should generally be highly correlated with the appropriate index & peer group.

Risk-adjusted Returns – The investment manager must provide superior returns relative to the level of risk taken (i.e. Sharpe Ratio).

Returns & Risk – Different asset classes may call for diverse risk and return attributes. Further, the consistency of these attributes is highly coveted.

Manager Tenure and Asset Size – The management team should be in place long enough to provide confidence that their attributes have a likelihood of being replicated. In addition, the amount of the assets managed should be sufficient for economies of scale but not too large as to cause concerns of capacity in more illiquid markets.

Benchmarks

Benchmarks are chosen or developed based on the individual asset classes identified in the IPS. Established benchmarks are used for well-defined asset categories; for example, a large capitalization value manager would typically best compare with the Russell 1000 Value Index as its standard of measurement.

The use of custom or synthesized benchmarks is also available where appropriate and in the absence of established standards. Primary benchmarks are identified and committed to in the IPS drafting process. This prevents 'index-hopping,' which is the substitution of an alternative index to rationalize or mask the investment's undesirable behavior. Identified indices are not altered without agreement with the Sponsor and an amendment to the IPS.

Due Diligence and Reporting

Qualitative Due Diligence

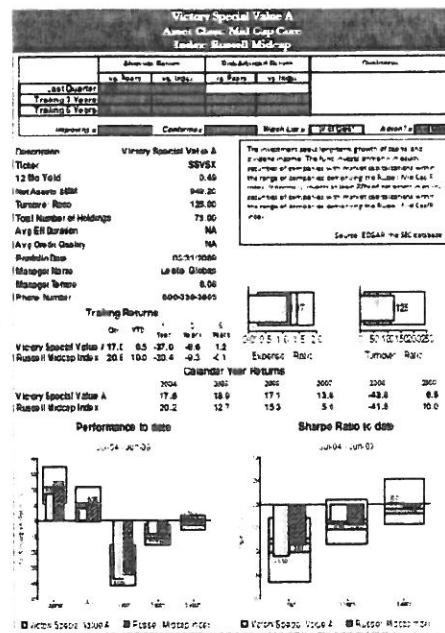
North Pier employs a due diligence regimen that augments our extensive quantitative analysis. As part of our quarterly review, and when quantitative anomalies necessitate further investigation, we conduct qualitative examinations of portfolios and portfolio management teams. Changes in personnel, deviations from expected disciplines, or ownership changes can disrupt anticipated portfolio characteristics and behaviors. North Pier conducts regular direct interviews during this process, which frequently reveal information not readily available in third party research or manager commentary.

Reporting

Integrated with our quarterly performance reports, we include an analysis of key performance factors and applicable industry developments. Moreover, we provide the sponsor with a full financial market summary and fiduciary commentary for the period in order to evaluate the analysis in its proper context.

When warranted, North Pier makes recommendations for placing an investment option on a watch list for potential termination. If a manager diverges from its stated style or falls below the standards identified in the IPS, our objective approach allows us to recommend removal from the Plan's menu, when appropriate. At such a time, clients are notified and a strategy for replacement is proposed.

In addition to the written report and analysis, regular in-person presentations to the Sponsor are critical to an effective consulting relationship. The interaction in these meetings allows issues to surface that may not otherwise appear.



Education and Advice

Because having the right investment options is not enough. Participants need to understand how and when to use them.



Every client is different and the proposed solutions that follow may not be the right fit for your organization. North Pier will work with your organization to find a customized service that is right for you.

Employee Advice & Investment Models

An optimal menu of investments may still fail to aid participants in reaching their retirement goals if they lack the understanding on how to create a portfolio specifically geared for their objectives.

Employee Communication

North Pier drafts, or collaborates on the drafting of, all required employee notifications for the review and approval of the Plan Sponsor. All communications comply with stated Department of Labor guidance concerning timing and content as well as the Sarbanes-Oxley Act when applicable.

Employee Education and Enrollment Meetings

If requested, North Pier can provide regular, in-person employee meetings. All education and enrollment services are delivered in harmony with the requisite DOL interpretive bulletins and guidance. These meetings are academic in nature and discuss general investment theory and education of all Plan features. Further, they can be customized to address topical market or industry issues when appropriate. We believe that understandable and actionable employee education can be an effective aid.

One-on-One Consultations and Advice

If requested, North Pier provides impartial, professional, financial advice to employees. Personalized financial plans are available as an output from a questionnaire completed by employees wishing to determine their retirement savings needs. North Pier maintains a strict *non-solicitation policy* and thus is available only to serve the needs of the Plan's participants without further business objectives. For those that are unable to meet with us in person due to timing or location constraints, we are available for individual phone consultations throughout the year. North Pier maintains a dedicated toll-free number for participants and commits to a twenty-four hour return call policy.

North Pier assumes a fiduciary role for providing employee advice.

Asset Allocation Investments and/or Models

If desired, North Pier will construct academically correct custom asset allocation models utilizing the components of the investment menu. Unlike the use of life-style funds, these models are comprised of the monitored components of the menu, and, as such, allow for more detailed and meaningful monitoring. Typically, six to eight models are created to replicate a broad spectrum of risk and time horizon factors. These models list the names and percentages of specific investment choices thus providing an actionable tool for the participants. When the Plan service provider's technology permits, these are offered as automated model portfolios on the plan provider's platform. North Pier assumes a fiduciary role for the creation and maintenance of these models.

Board Support

Committee / Fiduciary Education

No matter what level of training the Committee and other plan fiduciaries have had with regards to retirement plans we provide the education and support needed to ensure full regulatory compliance, as well as best industry practices. As previously stated, both Partners of North Pier have earned the Accredited Investment Fiduciary Analyst™ designation from the Joseph M. Katz Graduate School of Business of University of Pittsburgh's Center for Fiduciary Studies. Further, our continuous interaction with the academic community, the IRS and DOL at industry conferences, aids us in maintaining top-decile knowledge on the subject.

Annual Participation & Effectiveness Studies

We believe that one of the most critical steps in the delivery and acceptance of an employee education and enrollment campaign is the annual evaluation of the effectiveness of these efforts. Ultimately, an employee education and enrollment program is successful only if the information presented is meaningful, understandable, and actionable to those receiving the message. Armed with the Sponsor's demographic and participation utilization statistics we will provide the committee with a report outlining education successes and shortfalls. Based on our findings we collaborate with the Sponsor to make adjustments, target underserved participants, and/or design a new strategy for the following year.

SOQ Content Continued

Litigation

North Pier Fiduciary Management, LLC, and its employees, are not parties in any past or pending litigation.

Insurance

North Pier Fiduciary Management, LLC maintains \$2,000,000 worth of Professional Liability Insurance through the Gotham Insurance Company. In addition to standard E&O coverage, this insurance contract specifically provides for fiduciary liability coverage which is routinely omitted from the binder.

Contract

<Contract attached in Appendix A>

Negotiator

Jim Scheinberg will be the firm's representative with the authority and responsibility for contract negotiations.

Jim Scheinberg CIMA®, AIFA®

Managing Partner

North Pier Fiduciary Management, LLC.

Phone: 800 403-7065 ext 272

Fees and Pricing

<Attached in separate envelope as requested>

Other Information deemed pertinent to this RFQ:

Service Provider Interface and Support

With proper authorization, we act as an intermediary on behalf of our clients with their plan service provider(s). Due to our knowledge of industry dynamics and procedural norms, we have been successful in maximizing the value our clients receive from their engaged relationships.

Fiduciary Risk Management

We guide our clients through their multitude of fiduciary responsibilities, providing them with the education and tools they need to ensure full regulatory compliance, as well as best industry practices. All Directors of North Pier have earned the Accredited Investment Fiduciary Analyst™ designation from the Joseph M. Katz Graduate School of Business of University of Pittsburgh's Center for Fiduciary Studies.

Discretionary Plan Option Management (DPOM) Services (Optional)

For Plan Sponsors seeking to shift the responsibilities for the actual management of their retirement plan menu to an outside expert, North Pier offers full discretionary plan option management services.

North Pier is proud to be able to offer Discretionary Plan Option Management. Under this arrangement, we serve as a discretionary investment manager (known as ERISA §3(38) Manager when ERISA applies), overseeing your plan's investment options and making changes directly when we deem prudent. This shifts your board's obligation from that of investment management and monitoring with the aid of an independent consultant to that of the oversight of North Pier. This service removes the board's fiduciary liability for management of the investment options, but not the liability of monitoring North Pier. In addition to fiduciary liability mitigation, other advantages include:

- Increased speed of execution and decision-making (valuable in volatile markets).
- Less time commitment for the board (frequency of committee meetings can be reduced).
- Less costly – North Pier charges less for discretionary management than for its quarterly consulting services due to the reduction in time dedicated to committee meetings and liability reduction from an expedited, undiluted decision making process.

There are a select few advisors in the country with the experience, credentials, and structure necessary to offer this service. Only firms completely devoid of conflicts of interest with investment management companies are able to accept this role without resulting in a prohibited transaction. For Sponsors seeking to shed their responsibilities of routine investment management decisions, North Pier's DPOM service is an efficient and effective solution. *Your retirement plan document must allow for this appointment: if it does not do so currently, a minor plan amendment may be required.*