

# **REQUEST FOR PROPOSALS**



**Kentucky Retirement Systems**  
**Executive Director Search Firm**  
**June 24, 2016**

## **Section I**

### **General Information**

#### **A. Issuing Office**

This Request for Proposals (“RFP”) is being issued by the Kentucky Retirement Systems (“KRS”). The only entity having the authority to obligate KRS in regard to this solicitation is the Board of Trustees of the Kentucky Retirement Systems.

#### **B. Purpose of Document**

KRS intends to retain a firm to conduct research, screen and make recommendations of qualified candidates for the position of Executive Director of the Kentucky Retirement Systems to the Executive Director Search Committee.

#### **C. Commitment of KRS**

KRS reserves the right to withdraw this RFP at any time and for any reason.

Receipt of proposal materials by KRS or submission of a proposal to KRS confers no rights upon the Proposer nor obligates KRS in any manner.

A personal service contract, based on this RFP, may or may not be awarded. Any contract resulting in an award from this RFP is invalid until properly approved and executed by KRS. Any agreements shall be construed and interpreted according to the laws of the Commonwealth of Kentucky. This RFP and the Proposer’s proposal shall become a part of the contract, if and when issued.

#### **D. Inquiries**

Contact with KRS or other agency personnel except as specified below is prohibited. All inquiries in regard to this solicitation shall be made in writing to:

Marlane F. Robinson, PHR  
Human Resources Director  
Kentucky Retirement Systems  
1260 Louisville Road  
Frankfort, KY 40601  
FAX: (502) 696-8801

Or by e-mail to:

[marlane.robinson@kyret.ky.gov](mailto:marlane.robinson@kyret.ky.gov)

No verbal representations made or assumed to be made during any discussions held between representatives of potential Proposers and any KRS personnel are binding.

**E. Submission Date for Proposals**

To be considered for contract award, copies of the proposal requested by this RFP shall be on file at the office of Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601, **by 4:30 p.m. EDT on July 22, 2016**. At its discretion after review of proposals, KRS may invite selected Proposers to introduce members of a proposed project team and make an oral presentation of the proposed plan of work.

**F. Period of Contract**

The term of the initial contract will be for up to twelve (12) months from date of approval by the Board of Trustees of the Kentucky Retirement Systems. This engagement may be cancelled upon thirty (30) days written notice by KRS.

**G. Payment for Services**

1. Payment Procedures

Payments are predicated upon completion of the described work and delivery of the required reports. KRS will consider payment based on agreed upon deliverables.

2. Method of Payment

Each invoice for services shall contain an itemization of services performed and the rates associated with each activity. Reimbursement for travel, if part of the Proposal, shall be made in accordance with the Travel Policy adopted by the KRS Board of Trustees. A copy of the KRS Travel Policy is included as **Attachment A** to this RFP and is incorporated by reference into and shall be a part of this RFP. KRS will make every reasonable effort to make payments within thirty (30) business days after receipt of a properly supported invoice.

**H. Verification of Information**

KRS may request documentation from Proposers of any information provided in their proposals.

**I. References**

Proposers shall submit a list of at least three (3) current and former clients and describe the work performed for each. References from large state administered retirement systems are preferred. Provide a brief summary of the engagement and indicate whether the client is a current client (i.e., one with whom a search is currently underway) or a former client. For all references, include the site name, the name / phone / address of a client representative who is familiar with that work and may be contacted regarding the firm's qualifications and past performance.

All references may be contacted by KRS to verify the Proposer's claims. Proposers are advised to ensure that the contact person's telephone number is current and that each reference contact is willing to discuss the Proposer's performance with the evaluation committee.

Additionally, Proposers are requested to provide a list of any public or private pension funds with total assets exceeding \$5 billion that have engaged the Proposer to conduct a search for executive level staff.

**J. Principal Firm Responsibility**

Any contracts that may result from the RFP shall specify that the principal individual or individuals solely responsible for fulfillment of the contract with KRS. The principal individual or individuals shall be designated in the proposal.

**K. Cost of Preparing Proposal**

Costs for developing the proposal are solely the responsibility of the Proposer. KRS shall provide no reimbursement for those costs.

KRS may ask Proposers to conduct oral presentations relating to their proposals. If a Proposer is invited to make an oral presentation, any costs associated with any oral presentations shall be the responsibility of the Proposer and shall in no way be billable to KRS.

**Section II**

**Overview**

KRS is a \$15.7 billion dollar state administered retirement system. KRS administers three (3) retirement systems under Kentucky Revised Statutes Chapter 16.505 et seq., Chapter 61.510 et seq. and Chapter 78.510 et seq. that provide pension and health insurance benefits to state and local government retirees. Each plan is a tax qualified defined benefit governmental retirement plan in accordance with applicable federal statutes. A thirteen-member Board of Trustees, who has the authority to appoint an Executive Director as the Chief Administrative Officer, governs the Systems. Additional information concerning the Systems can be obtained from the Comprehensive Annual Financial Report at the following web site: <http://www.kyret.ky.gov>.

(Remainder of Page Intentionally Left Blank)

### **Section III**

#### **Statement of Work**

##### **A. General Nature of Services Required**

1. Research, source, screen, interview and reference qualified candidate pool (4-6), so KRS can conduct a minimum of two (2) rounds of interviews.
2. Provide a detailed explanation of the search process you would employ. This should include how you identify, process, and evaluate the candidates.
3. Explain documentation procedures and reference checking methodology.
4. Provide a proposed timetable. The Board expects to have the final candidates for the position within one hundred twenty (120) days after selection of a firm. The timetable should include a schedule of progress reports that would be submitted to the Board.
5. Assist with the preparation of a job description and provide salary competitiveness analysis.

### **Section IV**

#### **Terms and Conditions**

##### **A. General**

The contract shall be construed according to the laws of the Commonwealth of Kentucky. Any legal proceedings against KRS regarding this RFP or any resulting contract shall be brought in a Commonwealth of Kentucky judicial forum. Venue shall be in Franklin County, Kentucky.

##### **B. Proposals - Acceptance and Disposition**

All proposals properly submitted shall be accepted by KRS for consideration. However, KRS reserves the right to request amendments, reject all proposals, reject any proposal that does not meet mandatory requirements, or cancel this RFP, according to what is in the best interests of KRS.

This RFP is the property of KRS and may not be sold or copied without the express written consent of KRS. The successful proposal shall be incorporated into the resulting contract by reference.

(Remainder of Page Intentionally Left Blank)

**C. Advertising Award**

The Proposer shall agree not to refer to awards in commercial advertising in a manner that states or implies that the individual or firm or its services are endorsed or preferred by the Kentucky Retirement Systems or the Commonwealth of Kentucky.

**D. Pricing**

The personal service contract proposed in response to this RFP shall be priced as follows:

Proposer should provide a specific explanation of a pricing scheme, including any methodology used to determine the pricing scheme.

**E. Personnel**

The Proposer shall warrant that all persons assigned by it to the performance of this contract shall be employees of the Proposer and shall be fully qualified to perform the work required by the contract. KRS reserves the right to approve any change to key individuals assigned to service the contract with KRS.

**F. Independent Contractor**

It is expressly agreed that the Proposer and agents, officers, and employees of the Proposer in the performance of this contract shall act in an independent contractor capacity, and not as officers or employees of KRS or the Commonwealth of Kentucky.

**G. Subcontracts**

No contract shall be made by the Proposer with any other party for furnishing any of the work or services hereunder.

**H. Hold Harmless**

The Proposer shall indemnify, defend, and hold harmless the Kentucky Retirement Systems, the Commonwealth of Kentucky, and their officers, agents, and employees from:

- any claims or losses for service rendered by the Proposer, person, or firm performing or supplying services, materials, or supplies in connection with the performance of the contract;
- any claims or losses to any person or firm injured or damaged by the erroneous or negligent act of the Proposer, its officers or employees in the performance of the contract;

- any claims or losses resulting to any person or firm injured or damaged by the Proposer, its officers or employees by the publication, translation, reproduction, delivery, performance, use, or disposition of any data processed under the contract in a manner not authorized by the contract, or by federal or state statutes or regulations; and
- any failure of the Proposer, its officers, or employees to observe Kentucky statutes, including but not limited to, labor laws and minimum wage laws.

**I. Employment Practices**

The Proposer shall not discriminate against any employee or applicant for employment because of race, religion, sex, national origin, age (except as provided by law), marital status, political affiliations, or disability. The Proposer shall take affirmative action to ensure that employees, as well as applicants for employment, are treated without discrimination because of their race, color, religion, sex, national origin, age, (except as provided by law), marital status, political affiliation, or disability. This action shall include, but is not limited to, the following: layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Proposer agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this clause.

**J. Executive Branch Ethics and Conflicts Policy**

Proposer acknowledges that the Trustees and employees of KRS are subject to the Commonwealth’s Executive Branch code of Ethics codified in Kentucky Revised Statute Chapter 11A. Furthermore, Proposer agrees to execute KRS’ External Conflict of Interest Statement. A copy of the KRS External Conflict of Interest Statement is included as **Attachment B** to this RFP and is incorporated by reference into and shall be a part of this RFP.

**Section V**

**Instructions for Proposal Preparation**

**A. Proposer Response and Proprietary Information**

This RFP specifies the format, required information, and general content for proposals submitted in response to the RFP. KRS shall not disclose any portions of the proposals prior to contract award to anyone outside KRS’ contract award process. After a contract is awarded in whole or in part, KRS shall have the right to duplicate, use or disclose all proposal data submitted by Proposers in response to this RFP as a matter of public record. KRS recognizes the Proposer’s possible interest in preserving selected data which may be part of a proposal. KRS shall treat any requests to maintain the confidentiality of selected information as required by the Kentucky Open Records Act, KRS 61.870 et seq., and other applicable statutes.

Informational areas that might be considered proprietary shall be limited to individual personnel data, customer references, selected financial data, formulas, and financial audits, which, if disclosed, would permit an unfair advantage to competitors. If a proposal contains information in these areas that a Proposer declares proprietary in nature and not available for public disclosure, each sheet containing such information shall be clearly designated as proprietary at the top and bottom of the page and shall be submitted under separate cover marked "Proprietary Data." Proposals containing information declared by the Proposer to be proprietary, either in whole or in part, outside the areas listed above, may be deemed non-responsive to this RFP and may be rejected.

KRS shall have the right to use all system ideas, or adaptations of those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal shall not affect this right.

**B. Proposal Submission Requirements**

Each qualified Proposer shall submit only one proposal. Alternate proposals shall not be allowed.

Fifteen (15) hard copies and one electronic copy (via email, flash drive or CD) of the proposal under sealed cover shall be on file **no later than 4:30 p.m.** on the date indicated in Section I. Any proposal received after this date and time shall be rejected and returned unopened to the Proposer. Proposals shall be mailed to:

Marlane F. Robinson, PHR  
Human Resources Director  
Kentucky Retirement Systems  
1260 Louisville Road  
Frankfort, Kentucky 40601

OR

Hand-Delivered to:

Marlane F. Robinson, PHR  
Human Resources Director  
Kentucky Retirement Systems  
1270 Louisville Road  
Frankfort, Kentucky 40601

The package shall be marked: **EXECUTIVE DIRECTOR SEARCH FIRM RFP**

(Remainder of Page Intentionally Left Blank)

**C. Transmittal Letter**

The transmittal letter shall be on the Proposer's official business letterhead. It shall include the following, in the order given:

- a signed statement certifying that no personnel currently employed by, under contract with, or in any way associated with the Commonwealth of Kentucky or KRS have participated in any activities relating to the preparation of the Proposer's proposal, except as provided for in this RFP;
- a statement that acknowledges and agrees to all of the rights of KRS, including terms and conditions, and all other rights and terms specified in this RFP;
- the Proposer's guarantee that the proposal as submitted shall remain in full force and effect as specified in this RFP for at least two (2) months after the closing date for responses or until a contract is approved, whichever comes first;
- a statement explaining any exceptions taken to the requirements of this RFP;
- a statement that acknowledges if proprietary data is included;
- a statement that contains the Proposer's contact person, address, phone, and fax numbers;
- a statement that the Proposer will abide by the non-discrimination provision of this RFP.

The letter shall be signed by the person with the authority to bind the individual or firm, answer questions, and provide clarification concerning its proposal.

**Section VI**

**REVIEW CRITERIA**

The engagement will be awarded based upon an evaluation of the responses by the KRS Board of Trustees that provides the best value to KRS. The KRS Board of Trustees will evaluate each firm's proposal in a fair, consistent, and objective manner. Responses to questions or requirements identified in this RFP will form the basis of the KRS Board of Trustees' evaluation. The relative importance of particular qualifications and the evaluation factors to be used are identified below:

Experience assisting large public pension plans with recruiting and hiring key executive positions.....	50%
Reliability and Results, based upon feedback from references .....	25%
Price and Service Terms .....	15%

Completeness of Proposal.....	10%
Total .....	100%

The final decision regarding proposal selection and contract award shall be made by the KRS Board of Trustees.

**VII. TENTATIVE TIME TABLE**

The following is the tentative time schedule for KRS’ search for firms to provide executive search services. All dates are subject to modification by KRS.

Issuance of RFP	June 24, 2016
Question Deadline	July 8, 2016- 4:30 p.m. EDT
Response to Written Questions	July 15, 2016
RFP Response Deadline	July 22, 2016 - 4:30 p.m. EDT
Evaluation Period	July 25-July 29, 2016
Interviews, if desired, with Finalists	August 1-August 5, 2016
Selection by KRS	August 5, 2016
Projected Commencement Date	August 15, 2016

Any questions concerning this RFP should be addressed in writing to Marlane F. Robinson by e-mail or via fax at (502) 696-8801 **no later than the close of business (4:30 p.m.) on July 8, 2016.**

(Remainder of Page Intentionally Left Blank)

# **KENTUCKY RETIREMENT SYSTEMS**



## **ATTACHMENT A TO RFP FOR EXECUTIVE SEARCH FIRM**

### **KRS TRAVEL POLICY**

# **KENTUCKY RETIREMENT SYSTEMS TRAVEL POLICY AND PROCEDURES**

**Approval Date: May 20, 2004**

Amended Dates: August 19, 2004; February 15, 2007;  
February 19, 2009; August 18, 2011, September 11, 2014, September 10, 2015

## **Section 1: Scope**

- A. This policy is enacted pursuant to KRS 61.645(9)(c)(4), which provides that employees of Kentucky Retirement Systems (“KRS”) are to be reimbursed for all reasonable and necessary travel expenses and disbursements made in the performance of their official duties. Additionally, this policy is enacted pursuant to the Bylaws of the Board of Trustees of KRS, which provides for reimbursement of travel expenses of KRS Board of Trustee members which have been incurred in the performance of their official duties. Pursuant to Kentucky Revised Statute 61.645(13), the expenses incurred on or behalf of KRS and the Board during the fiscal year shall be paid from the retirement allowance account.
- B. Pursuant to the provisions of KRS 61.645, the Board of Trustees is permitted to conduct the business of KRS as necessary, limited only by its fiduciary obligations.
- C. Pursuant to KRS Chapter 11A, all actual and necessary reimbursements for any Traveler shall be consistent with the requirements of the Kentucky Executive Branch Code of Ethics.
- D. Employees of KRS are entitled to the minimum protections provided in KRS Chapter 45, but the Board of Trustees may expand upon those provisions under KRS 61.645.
- E. The term “Traveler” as used in this policy shall be construed to mean all KRS Board of Trustees members, employees, or contractors eligible for reimbursement, authorized to conduct business on behalf of the Retirement System.

## **Section 2: Authorization and Reimbursement**

- A. Reimbursement under this policy shall only be made for expenses incurred by KRS’ Travelers who have been authorized to conduct business on behalf of KRS. Reimbursement shall be made only for those types of expenses specifically authorized by the terms of this policy. KRS will not pay for or reimburse for a Traveler’s personal expenses; however, if personal expenses are inadvertently paid for or reimbursed by KRS, the Traveler who receives the reimbursement shall repay the amount of personal expense to KRS within ten (10) business days after notice to do so. If the Traveler fails to reimburse KRS, the failure shall be grounds for disciplinary action up to and including dismissal.

- B. Reimbursement under this policy shall only be made up to the most reasonably economical, standard accommodation and transportation available. Reimbursement of expenses without prior authorization shall be at the discretion of the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees or the Trustee designated by the Chair.
  
- C. Requests for reimbursement for KRS Trustees and employees shall be made on the appropriate travel voucher designated by KRS Management. Requests for reimbursement shall be made within thirty (30) days of the Traveler's returning from travel. Additionally, requests for reimbursement for travel occurring within the thirty day period prior to the end of the fiscal year, shall be submitted within five (5) business days of the Traveler's return from travel. Approval of requests submitted outside of the reimbursement request submission period may be approved at the discretion of the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Board of Trustees, or the Trustee designated by the Chair.
  
- D. Prior to travel, a KRS Traveler shall obtain authorization to travel on official business of KRS by a Division Director, Chief Officer and/or the Executive Director, or his or her designee. Prior to or after travel, the Executive Director shall obtain authorization to travel on official business of KRS outside the Commonwealth of Kentucky by the Chair of the Board of Trustees, or the Trustee designated by the Chair to approve travel reimbursements.
  - 1. In the event of travel outside of Franklin County, but within the Commonwealth of Kentucky, the Traveler shall obtain pre-authorization through e-mail documentation, or a Request for Travel Form.
  - 2. In the event of travel outside the Commonwealth of Kentucky, the Traveler shall obtain prior written authorization on a Request for Travel Form.
  - 3. The Request for Travel Form shall contain the following information:
    - a) Name and Title of the Traveler requesting travel authorization;
    - b) Purpose of the travel;
    - c) Vicinity and length of time of travel;
    - d) Estimated cost of travel;
    - e) Signature and date of signature of person requesting authorization;
    - f) Signature and date of signature of Division Director;
    - g) Signature and date of signature of Chief Officer; and

- h) Signature and date of signature of the Executive Director or person authorized by the Executive Director; or
  - i) If the Traveler is KRS' Executive Director, the signature and date of signature of the Chair of the Board of Trustees or Trustee authorized by the Chair.
- E. A Traveler's "official workstation" shall be the street address of the Retirement System, unless otherwise designated by the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees, or Trustee designated by the Chair. The "official workstation" for contractors eligible for reimbursement shall be their principal place of business as designed in the contract, unless otherwise designated by the Executive Director.
- F. The "home" of a Traveler shall be the Traveler's principal place of residence, unless otherwise designated by the Executive Director.
- G. "High rate areas" means the city, state, or metropolitan areas designated by the Secretary of the Finance and Administration Cabinet as a high rate area, in effect at the time of travel. A Traveler is eligible for reimbursement at the "high rate area" reimbursement rate, if the Traveler was located within the high rate area for no less than one (1) hour of the applicable mealtime hours.
- H. A Traveler may add vacation days prior to or after travel, but reimbursement shall be limited to the expenses incurred over the time periods and distances required for Agency business.
- I. A Traveler may travel with a companion; however, reimbursement shall be limited to the expenses attributable to the Traveler, excluding the companion, over the time periods and distances required for Agency business.
- J. The Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees, or Trustee authorized by the Chair, shall make a final determination regarding any controversy over travel reimbursement, including approval of travel without prior written authorization.

### **Section 3: Transportation**

A. *Economy required:*

(1) Travelers traveling on official business of KRS shall use the most economical, standard transportation reasonably available and take the most practicable direct and usually traveled routes. Additional expenses incurred by use of other transportation or routes shall be assumed by the Traveler.

(2) Round-trip, excursion or other negotiated reduced-rate rail or plane fares shall be obtained, if practicable.

(3) Tickets prepaid by KRS shall be purchased through agency business travel accounts provided by a major charge card company or commercial travel agencies.

(4) Tickets purchased in person, through the Internet, a travel company, or a travel agency shall be paid by the traveler and reimbursed upon the submission of a travel voucher with receipts or purchased with a ProCard issued under the KRS ProCard Policy.

(5) Change fees shall only be reimbursed to the Traveler if determined necessary by the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees, or Trustee authorized by the Chair. Items considered change fees shall include, but not be limited to, fees for upgraded seat selection, priority boarding, or upgraded class.

(6) Exceptions may be made at the discretion of the Executive Director, or in the case of travel by the Executive Director, the Chair of the Board of Trustees, or the Trustee designated by the Chair, if other arrangements will be in the best interest of KRS.

B. *State vehicles:*

State-owned vehicles with their credit cards may be used for KRS business travel when available and feasible. Mileage reimbursement shall not be claimed if a state-owned vehicle is used.

C. *Buses, Shuttles, Subways, Taxis, or similar services:*

For city travel, travelers are encouraged to use buses, shuttles, and subways. Reimbursement for taxi fare or other similar services, such as digital network ridesharing services, shall be allowed when more economical transportation is not feasible.

D. *Airline Travel:*

Commercial airline travel shall be the lowest negotiated coach or tourist class. Additional expense for first-class, business-class, or similar upgrades shall not be reimbursed or paid for by KRS. Payment shall be made in accordance with subsection (A) of this section.

E. *Special Transportation:*

(1) Rental vehicles:

- a. The cost of rental vehicles, hiring cars, or other special conveyances in lieu of ordinary transportation shall be allowed if written justification from the traveler prior to travel is submitted and approved by the Executive Director, his or her designee. The Executive Director shall not be subject to the prior written approval requirement of this subsection.
- b. The cost of renting a vehicles shall be purchased with a KRS ProCard, pursuant to the KRS ProCard Policy
- c. Exceptions may be made to the required pre-approval and method of payment at the discretion of the Executive Director, or in the case of travel by the Executive Director, the Chair of the Board of Trustees, or the Trustee designated by the Chair, if other arrangements will be in the best interest of KRS.

(2) Private Aircraft:

Privately owned aircraft may be used if, prior to travel, it is determined to be to the advantage of KRS, measured both by travel costs and travel time. Reimbursement for use of privately owned aircraft shall be made if, prior to use, written justification was submitted to and approved by the Executive Director, or a designated representative.

G *Mileage Privately Owned Vehicles:*

- (1) Mileage claims for use of privately owned vehicles shall be allowed if a state vehicle was not utilized.
- (2) KRS employees and contractors shall not be reimbursed for mileage from his or her home to workstation/workstation to home.
- (3) KRS Board of Trustee members shall be eligible to receive reimbursement for mileage for the commute between his or her home and workstation.
- (3) If the Traveler's point of origin or point of return for travel is the Traveler's home, mileage shall be reimbursed for the shorter amount of mileage between: the home and travel destination, or workstation and travel destination. Vicinity travel and authorized travel within the area of a Traveler's workstation shall be listed on separate lines on the Voucher document.
- (4) Reimbursement for authorized use of a privately owned vehicle shall be made at the IRS established standard mileage rate which changes periodically. The mileage reimbursement rate includes reimbursement for vehicle use, gas, maintenance, registration, and any personal automobile insurance coverage required by law.
- (5) Calculation for mileage for travel shall be based on the lowest mileage calculation from Google Maps, Apple Maps or Map Quest. A printout documenting the

lowest mileage calculation for each section of travel shall be attached to the travel voucher.

#### **Section 4: Accommodations**

- A. Lodging shall be the most reasonably economical, as determined by considering the reason for the travel as well as the location, state of repair, and amenities of the lodging.
- B. Facilities providing special government rates or commercial rates shall be used, if feasible.
- C. State-owned facilities shall be used for meetings and lodging if available, practicable and economical.
- D. Cost for lodging within forty (40) miles of the Traveler's official workstation or home shall be reimbursed only if approved by the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Board of Trustees, or Trustee designated by the Chair.
- E. *Group lodging, by contract.*
  - (1) KRS may contract with hotels, motels and other establishments for four (4) or more travelers to use rooms on official business. Government rates shall be requested.
  - (2) The contract may also apply to meals and gratuities. The contract rates and the cost of rooms and meals per person shall not exceed limits set in these policies and procedures.
  - (3) A Traveler shall not claim reimbursement or subsistence for room and meals paid directly to an establishment providing these services.
  - (4) Payment shall be made directly to the contracted vendor and shall not include personal charges of travelers or others in the official service of KRS.
  - (5) Contracted group meeting rooms and lodging and meal charges are exempt from Kentucky sales tax. The KRS sales-use tax number assigned by the Revenue Cabinet shall be specified on the payment document.
  - (6) Tax exempt numbers shall not be used by individual travelers to avoid point of sale payment of Kentucky sales tax connected with lodging costs. Sales tax payments shall be reimbursed on a travel voucher.
  - (7) When using state park facilities, reimbursement for rooms and meals may be made by an Interaccount Document subject to the limits of these policies and procedures.

## **Section 5: Reimbursement Rates.**

- A. The following persons may be exempt from the provisions of this section, subject to the provisions of Section 6:
- (1) Executive Director;
  - (2) Board of Trustees members;
  - (3) Chief Officers and the General Counsel;
  - (4) Investment Division Directors; and/or
  - (5) A KRS Traveler, traveling on assignment with the Executive Director, Board of Trustees members, the General Counsel or Chief Officers.
- B. *Lodging.*
- (1) A traveler traveling on official KRS business shall be reimbursed for the actual cost of lodging, if the lodging is determined by KRS Controller or Chief Operations Officer to be the most economical; and the traveler has provided the hotel, motel, or other establishment's receipts to be reimbursed for the travel expenses. Reimbursement for lodging shall not exceed the cost of a single room rate or one-half the double rate.
  - (2) The request for travel form, if required, the lodging receipts, and any other relevant documentation, shall be attached to the travel voucher for reimbursement. All reasonable and necessary travel expenses shall be reimbursed if the travel was pre-approved as evidenced by a signed and dated request for travel form. Reimbursements shall not be limited by the estimates included on the request for travel form. If the employee or Board member fails to have the travel pre-approved, travel expenses shall not be reimbursed unless it is determined by the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees, or Trustee authorized by the Chair, that the travel expenses were reasonable and necessary and should be reimbursed.

C. *Subsistence.*

(1) A Traveler traveling on official KRS business shall be eligible for subsistence reimbursement for breakfast, lunch, or dinner expenses while traveling in or outside Kentucky, but within the United States, its possessions or Canada, at the rates established in these policies and procedures, if his or her authorized work requires travel during the mealtime hours established by this policy pursuant to and limited by the following:

(A) The Traveler is in travel status during the entire mealtime. For purposes of this Travel Policy the mealtime periods shall be as follows:

- a. Breakfast mealtime- A Traveler shall be in continuous travel status on or before 6:30 a.m. through 9 a.m.
- b. Lunch mealtime- A Traveler shall be in continuous travel status on or before 11:00 a.m. through 2:00 p.m.
- c. Dinner mealtime- A Traveler shall be in continuous travel status on or before 5:00 p.m. through 9:00 p.m.

(B) The authorize travel requires:

- a. An overnight stay; or
- b. Travel is to a destination more than (40) miles from the Traveler's workstation and home.
  1. Subsistence reimbursement for a Traveler who does not travel overnight is a taxable fringe benefit subject to applicable federal and state reporting and withholding requirements.
  2. A separate designated travel voucher shall be submitted for subsistence reimbursement for travelers who do not travel overnight.

(2) Per diem subsistence reimbursement rates are as follows:

a. **Non-high rate areas:**

Breakfast:	\$8;
Lunch:	\$10;
Dinner:	\$18.

b. **High rate areas:**

Breakfast:	\$10;
Lunch:	\$12;
Dinner:	\$24.

- (3) Unless otherwise noted below, a Traveler eligible for subsistence reimbursement may request reimbursement of the applicable per diem amount or reimbursement of actual expenses up to the per diem amount.
- (4) Travelers authorized to travel outside the United States, its territories, or Canada shall be reimbursed for their actual and necessary expenses for subsistence.
- (5) If a registration fee entitles the Traveler to subsistence or subsistence is otherwise covered by KRS, no claims for reimbursement for those meals shall be submitted or paid.
- (6) Under no circumstances shall a KRS Traveler be reimbursed for the cost of alcoholic beverages or other substances prohibited by the Kentucky Retirement Systems' Personnel Policy, Kentucky Revised Statutes, or applicable administrative regulation.

E. *Other Reimbursement:*

- (1) Actual costs for parking, or bridge and highway toll charges shall be reimbursed upon submission of receipts with a completed travel voucher.
  - (2) Reimbursement shall be made for reasonable charges for baggage handling, delivery of baggage to or from a common carrier, lodging or storage, and overweight baggage charges, if the charges directly relate to official business.
- (3) Registration fees required for admittance to approved meetings or conventions shall be reimbursed.
- (4) Telephone, fax or electronic device connection costs for necessary official business shall be reimbursed. However, if KRS has provided reasonable access to telephone, fax or electronic device connection for the Traveler, additional unnecessary charges for similar access shall not be reimbursed.
- (5) Telephone calls to KRS offices shall be made through the KRS toll free number, or lowest available service.
- (6) Reasonable gratuities for baggage handling, parking, taxi/shuttle transportation, or concierge services. Taxi/shuttle/parking transportation gratuities are not to exceed 15% of the total cost of the service. Baggage handling and concierge services are reimbursed up to \$3.00 per occurrence not to exceed \$12.00 per day, unless otherwise reimbursed pursuant to this policy.
- (7) Receipts for numerical paragraphs one (1) through six (6), for each cost less than ten dollars (\$10.00), shall not be required; however, the Traveler shall provide written explanation of the items for which he or she is requesting reimbursement, including a brief description item, the date incurred, and the amount of the expense

## **Section 6: Actual and Necessary Expenses**

- A. The following persons are eligible for actual and necessary expenses, subject to the provisions of this Section:
- (1) Executive Director;
  - (2) Board of Trustees members;
  - (3) Chief Officers;
  - (4) Investment Division Directors; and/or
  - (5) A KRS Traveler traveling on assignment with the Executive Director, Board of Trustees members, the General Counsel or Chief Officers.
- B. Upon return from travel, travelers specified above must elect to receive either actual and necessary expense reimbursement or the per diem amount for meals as set out in Section 5 above for the entirety of the travel.
- C. Actual and necessary expenses of official business travel shall only be reimbursed upon submission of receipts. Receipts shall contain a line item description of the items or services purchased. It is the Traveler's burden to produce adequate documentations to support a request for actual and necessary expenses. A credit card statement, unsupported by additional documentation, shall not be considered a valid receipt.
- D. Actual and necessary expenses for official business travel shall include:
- (1) Lodging;
  - (2) Meals, (not to exceed twice the amounts provided in Section 5 above);
  - (3) Commercial transportation;
  - (4) Taxes related to actual and necessary expenses; and
  - (5) Reasonable gratuities for baggage handling, parking, taxi/shuttle transportation, or concierge services. Taxi/shuttle/parking transportation gratuities are not to exceed 15% of the total cost of the service. Baggage handling and concierge services are reimbursed up to \$3.00 per occurrence not to exceed \$12.00 per day, unless otherwise reimbursed pursuant to this policy.

## **Section 7: Reimbursement documents**

- A. Reimbursement for authorized travel as outlined in these policy and procedures shall be requested for reimbursement on the approved travel voucher by all KRS Board of Trustees members and employees. The travel voucher should include the name of the Traveler, a detailed description of the travel, the amounts to be reimbursed, a description of the expenses to be reimbursed, and the date of preparation of the voucher.
- B. Contractors, authorized to conduct business on behalf of the Retirement System and eligible for reimbursement for authorized travel as outlined in this policy and the applicable contractual agreement, shall submit the approved travel voucher or other documentation that includes the name of the Traveler, a detailed description of the travel, the amounts to be reimbursed, a description of the expenses to be reimbursed, and expense receipts.
- C. A separate designated travel voucher shall be submitted for subsistence reimbursement for all KRS Board of Trustees members and employees who do not travel overnight.
- D. The Traveler shall indicate whether the reimbursement should be in the form of check or direct deposit.
- E. The Traveler, the Traveler's supervisor, and the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Board of Trustees, or Trustee designated by the Chair, shall sign the travel voucher prior to reimbursement.
- F. Necessary travel expenses incurred by a Traveler as a result of circumstances outside of the Traveler's control. Such expenses shall be accompanied by receipts and other relevant documentation, a written detailed explanation or the circumstances resulting in the expenses, and attached to a completed designated travel voucher. These expenses may be reimbursed to the Traveler by the Retirement System at the discretion of the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees, or Trustee authorized by the Chair.

# **KENTUCKY RETIREMENT SYSTEMS**



## **ATTACHMENT B TO RFP FOR EXECUTIVE SEARCH FIRM**

### **KENTUCKY RETIREMENT SYSTEMS’ EXTERNAL CONFLICT OF INTEREST STATEMENT**

# KENTUCKY RETIREMENT SYSTEMS EXTERNAL CONFLICT OF INTEREST STATEMENT

I, \_\_\_\_\_, acting in my capacity as an  - **individual**  
(Individual or Authorized Representative's Name)  
or  **authorized representative of** \_\_\_\_\_ during the  
(Entity Name)  
relationship with Kentucky Retirement Systems ("KRS"), recognize the need to maintain the public's confidence and trust in the integrity of KRS and the Commonwealth of Kentucky by conforming individual and entity representative conduct to comply with the following:

- Diligently identify, disclose, avoid and manage conflicts of interest that may arise through my relationship with KRS.
- Other than the benefits expressly provided for by my relationship with KRS, conduct activities with KRS so not to advance or protect my own interests or the private interests of other with whom I have a relationship, in a way that is detrimental to the interests of KRS.
- Conduct activities in a manner to best promote the interests of KRS.
- Other than the benefits expressly provided for by my relationship with KRS, abstain from all decisions that may favorably or detrimentally impact my own financial interests or the financial interests of others with whom I have a relationship, reveal that relationship, and abstain from involvement in the official decision.
- Upon discovery of a conflict of interest or potential conflict of interest, disclose that conflict or potential conflict of interest to my supervisor or contact person at KRS and seek resolution of that issue.
- To not engage directly or indirectly in any financial or other transactions with a trustee or employee of KRS that would violate the standards of the Executive Branch Ethics provisions, as set forth in KRS Chapter 11A.

Agreed this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company (if applicable)