

# REQUEST FOR PROPOSAL

BOROUGH OF ARCHBALD, PA

Proposal For: Pension Plan Services Provider

RFP NOTICE NUMBER: 2013-1

Services Provided For (2 Pension Plans): **Police Pension Plan – Defined Benefit & Non-Uniformed Pension Plan – Defined Contribution**

RFP NOTICE DATE: **January 21, 2013**

RFP CLOSING DATE: **February 1, 2013**

## REQUEST FOR PROPOSAL CONTENTS

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PART E.....APPLICANT STATUS NOTIFICATION FORM (provided separately)

## MINIMUM REQUIREMENTS TO RESPOND:

Applicants that respond to this RFP must be able **meet or exceed** the following minimum criteria in order to be considered for the resulting award of a professional services contract:

1. 20 or more Pennsylvania municipal **pension clients** under contract for pension services as those desired.
2. \$50 million or more in Pennsylvania municipal pension client assets under direct management
3. Ability to provide a clearly functional services platform that addresses all desired services described in the **Request for Proposal – Part A: Detailed RFP Requirements**
4. 10 or more years experience providing pension services to PA municipal government entities.
5. **Full Disclosure: Applicants will** disclose all fees, direct and indirect, associated with any aspect of the services proposed. This includes all fees paid to or received by all subcontractors and advisors to the contractor including all mutual fund costs such as Expense Ratios, if applicable. Failure to do so will result in immediate disqualification from the RFP Process.

## COMMUNICATIONS:

**COMMUNICATION RESTRICTION**, EXCEPT AS SPECIFICALLY AUTHORIZED IN THIS RFP: EFFECTIVE AS OF THE **RFP NOTICE DATE** AND PRIOR TO THE TIME OF A DECISION BY THE **SELECTION PROCESS BODY** AND THE SUBSEQUENT CLOSING OF THIS **RFP PROCEEDING**, There shall be no communication of any type regarding this RFP, any aspect of a response to this RFP, or the awarding of a contract related in any way to this RFP between any **Applicant** or **Perspective Applicant** and any:

- (1) Elected Official of this municipality;
- (2) Employee of this municipality;
- (3) Any consultant or adviser currently engaged in assisting this municipality with the RFP process or employee or other person affiliated with or providing services to or on behalf of such consultant's staff; or
- (4) Any other persons in a position to influence the **Selection Process Body's** decision at any time during the **RFP Process** in regards to this RFP, a proposal, or the awarding of the contract until the award is announced, except as requested by this municipality or at the time specified for oral presentations by those selected Applicants appearing for interviews.

FURTHER, Applicants may not cause or allow any employee of their firm, or third party to directly or indirectly violate any of the aforementioned communications restrictions. Any communication by any applicant or third party on behalf of an applicant or potential applicant, in violation of the forgoing terms shall be considered grounds for **AUTOMATIC DISQUALIFICATION OF THAT APPLICANT.**

Applicants may **only** make inquiries for clarification of technical or administrative information.

**REQUESTING CLARIFICATION / QUESTIONS:** All requests for clarification of technical or administrative information must be sent via e-mail to the designated **POINT OF CONTACT** **prior to February 1, 2013.** **RESPONSES** will be returned via e-mail in the order they are received and in as timely a manner as possible.

<b>DESIGNATED POINT OF CONTACT:</b>  <b>Anthony J. Giordano</b>	<b>Archbald Borough 400 Church Street Archbald, PA 18403 Fax: (570) 876-5518 E-mail: archbaldmanager@comcast.net</b>	<b>PLEASE NOTE:</b>  <b>Phone calls <u>will not be</u> accepted or returned</b>
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### STATUS NOTIFICATION FROM THE MUNICIPALITY TO APPLICANTS

This table details the means by which the municipality’s POINT OF CONTACT will convey periodic Applicant Status Notification results to applicants as necessary...**AND....the required responses**, if any, by the Applicants.

Applicant Status Type	Means of Notification	Response Required by Applicant
Acknowledgement of Receipt of RFP from an Applicant	E-mail to Applicant from the municipality’s POC	None
<i>Active Applicant</i> – following Pre-Screening	Applicant Status Notification Form – by FAX	None
<i>Disqualified Applicant</i> – following Pre-Screening (or other disqualifying circumstance)	Applicant Status Notification Form – by FAX	None
<b>Selected Applicant</b> – following Detailed Review Process	Applicant Status Notification Form – by FAX	E-mail response *see below
<b>Non-Selected Applicant</b> – following Detailed Review Process	Applicant Status Notification Form – by FAX	E-mail response *see below
<b>Non-Selected Applicant</b> – following Interviews	Applicant Status Notification Form and other required documents – by <b>Certified US Mail</b> (signature required)	None – <b>except under “right to appeal”</b>
<b>Selected Applicant as <i>tentative selectee</i></b> – Following Interviews	Summary of Award Notice and Selectee Letter	E-mail response **see below
<p>* <b>Applicants must:</b> E-mail response to Municipality’s designated <i>Point of Contact</i> confirming receipt of <b>Applicant Status Notice</b> for either: <i>Non-Select Status</i> or <i>Selected Status</i></p> <p>*<b>Selected Status Applicants</b> must also <b>confirm</b> interview appointment and <b>request</b> Interview Prep Instructions.</p> <p>**<b>Tentative Selectee</b> – send e-mail response confirming receipt of official notice of selection.</p>		

## **PART A: RFP REQUIREMENTS AND SPECIFICATIONS**

### **SERVICES REQUIRED – GENERAL:**

All Applicants that respond to this RFP **must** be able to provide a complete package of pension services that will include:

1. Comprehensive investment services including: investment management, advisory services and strategy
2. Actuarial services: see “**Actuarial...**” in “**SPECIFICATIONS**” section below.
3. A comprehensive menu of pension administrative services: see “**SPECIFICATIONS**” section.
4. All banking and custodial services commensurate with maintaining a municipal pension plan
5. Additional administrative or advisory services, relevant to a PA municipal **Defined Benefit and Defined Contribution Pension Plans**; these services may be on an as-requested basis and not necessarily part of the main menu of services
6. Attend periodic meetings with the municipal leadership to review pension plan

### **SPECIFICATIONS FOR REQUIRED SERVICES:**

All applicants that respond to this RFP **must** be capable of providing the following minimum specifications relative to the services required:

#### **INVESTMENT SERVICES MUST INCLUDE:**

1. Products that are managed by Investment professionals that are SEC registered and demonstrate competitive GIPS returns
2. A high degree of conservancy in the investment portfolio – no more than 75% stocks
3. Policy design or re-design (as necessary) that is commensurate with contemporary investment strategies for municipal pension plans
4. Bond Investments must be via investment grade bonds or bond funds investing in the same
5. An investment mix that is at or about 60% diversified equities and 40% bond or fixed investments – no more than 15% deviation or rebalancing is desirable.

#### **INVESTMENTS MAY NOT INCLUDE:**

1. Insurance Products such as annuities or involving insurance contracts or similar obligations
2. Money Market or Certificates of Deposit accounts - as a primary source of investments
3. ETF's or index Funds as a major source of the investment portfolio (not more than 10% of total portfolio)
4. Investments of any type generally prohibited or considered too high-risk for municipal pensions

**ACTUARIAL SERVICES FOR BOTH PENSION PLANS (DC AND DB): NOT APPLICABLE – SEE SPECIAL NOTE**

**SPECIAL NOTE:** The incumbent Actuarial Services Contractor will be retained. Applicants will agree to provide sufficient and timely information to the incumbent actuary to facilitate their completion of the bi-annual Act 205 reports and any other special studies or reports commissioned or requested by the municipality.

**ADMINISTRATIVE SERVICES MUST INCLUDE BUT ARE NOT LIMITED TO:**

1. Preparation of financial statements
2. Preparation of all related pension forms required by PA and Federal government statutes
3. Preparation of the Minimum Municipal Obligation (MMO) as required by ACT 205
4. Maintaining accurate records of all active, vested, and retired plan members and other related data
5. Administrative services that include; document services, accounting and asset allocations, monthly transactions and periodic account statements
6. retiree payments and tax related accounting functions including preparation of 1099R forms
7. Monitoring and accounting for all DROP's accounts initiated and authorized by the municipality.

**ALL BANKING AND CUSTODIAL SERVICES:**

- Provide all banking and custodial services commensurate with maintaining a municipal pension plan that include but are not limited to accounting and reporting of all transactions within the plan

**ADDITIONAL ADMINISTRATIVE OR ADVISORY SERVICES, RELEVANT TO DB AND DC PLANS:**

- Applicants must be willing to provide additional administrative or advisory services, relevant to **Defined Benefit / Defined Contribution Plans** when requested by the municipality. These services may not necessarily be part of the main menu, chargeable on an ad-hoc basis.

**OFFER PERIODICAL MEETINGS WITH THE MUNICIPAL LEADERSHIP TO REVIEW PENSION PLAN:**

- The service provider must be willing to attend periodic meetings with municipal leadership to discuss relevant topics or developments.

## PART B: PROCEDURES TO COMPETE & OTHER GUIDELINES

### PROCEDURES TO COMPETE - GENERAL

#### ALL Applicants must:

1. Be able to fulfill all of the requirements stated in PART A: above;
2. Be capable of providing the full menu of services requested for **ALL 3 of the Municipal Pension Plans**;
3. Complete all required application material and return it to the **Point of Contact** by the application deadline;
4. Abide by all policy and procedural requirements stated on any RFP document;
5. Understand that The RFP application documents in Part C and D of this RFP provide the majority of the necessary documentation and information required by the **RFP Selection Process Body** to adequately evaluate each applicant's potential to fulfill the **professional services contract** obligations desired;
6. Understand that unless specifically requested, no additional documentation is required or necessary – generally, this is specified in a section of this RFP labeled “**Additional Documentation Requested**”;
7. Be prepared to provide additional documentation, if requested, and by the deadline specified.

### RESPONDING TO THIS RFP:

#### RFP Response Documents:

Applicants that respond to this RFP must provide the following documents by the specified **RFP Closing Date, February 1st, 2013, and not later than 1 pm prevailing time**. Applications received after this date and time will not be considered for selection under this RFP. Applications that do not meet this deadline will be returned and by mail. Once applications have been received and processed, the designated **Point of Contact** will send an **E-Mail response** to confirm that the application has been received by municipality. All documents will be arranged in the order they are listed below. No other arrangement is acceptable or permissible.

#### BOUND DOCUMENT COPIES – 6 COPIES:

1. A completed **RFP Application (RFP Part C)**
2. Additional documents requested by the municipality – See “**Additional Documentation Requested**” below.

#### UNBOUND DOCUMENT COPY – 1 COPY:

1. A completed **RFP Application (RFP Part C)**
2. Additional documents requested by the municipality – See “**Additional Documentation Requested**” below
3. **ONE COPY** – A completed **Part D: Act 44 Standard Disclosure Form**
4. **ONE COPY** – A completed **Part E: Applicant Status Notification Form** – header information only

**NOTE:** Only if requested, a current resume of anyone listed on the **Standard Disclosure Form, Item # 1**, and / or additional information as needed or that may be requested. This information may be requested after the closing date and at the discretion of the municipality. Whenever applicable, applicants will be afforded sufficient additional time to respond to such requests.

#### Procedures for Responding:

1. **Prepare and send or deliver**, the a number of bound and unbound copies of the **RFP Response Documents** listed above and any additional information requested in this RFP to the municipality's designated Point of Contact, **Not later than the closing date and time as previously stated**.

2. Be prepared (only if requested) to forward a current resume of anyone listed on the **Standard Disclosure Form, Item # 1**, to the municipality’s designated **POINT OF CONTACT**
3. Be prepared to respond to any additional requests for information and / or further directives
4. Check the municipal website posting periodically to see if any updates or changes to the schedule of events have been changed or modified

**Additional Documentation Requested:**

**Pursuant to Question # 16 of the RFP Application:** Provide a sample of an *Annual Summary Statement* or *Annual Plan Statement* that indicates transactions within the plan. This must be of the same design as the one your firm will routinely provide this municipality, if you are selected.

**Pursuant to Question # 21 of the RFP Application:** Investment Performance Reports – Summary format: Provide one example of a recent summary report of investment performance (Quarterly or Annual Report only).

**RFP PROCESS OVERVIEW:**

The **RFP Process** will commence with the posting of the **Request for Proposal on the municipal website**. The following is a brief overview of the steps the municipality will take in conducting this process and subsequent determination of the *most qualified applicant* to receive award of the professional services contract:

1. The *Chief Administrative Officer (CAO)* monitors and acknowledges receipt of all applications.
2. The *CAO* Closes the RFP Application process by the designated deadline.
3. The *CAO* conducts the **Applicant Pre-Screening** to insure compliance with the **RFP Policy** and determine applicants’ further eligibility to compete. A status will be assigned to each applicant; either *Active Applicant* or *Disqualified Applicant*.
4. The *CAO* will notify all applicants of their respective status via FAX.
5. The *CAO* will schedule dates and times for the each member of the *Selection Process Body* to conduct a **Detailed Applicant Review** of each application.
6. The *Selection Process Body* conducts a **Detailed Applicant Review** and rank each Applicant in accordance with the RFP Policy. A score and ranking from this process will be determined and only the top three (3) ranked Applicants will continue to the next step. Applicants that do not rank in the top 3 will be notified of their status and that they are no longer eligible to compete under this **RFP Process**.
7. The Top 3 Applicants will be notified of their status and an Interview appointment established.
8. The *Selection Process Body* will conduct **Applicant Interviews** and rank each Applicant in accordance with the RFP Policy. A **Final RFP Composite Score** is determined in accordance with procedural instructions. The Applicant with the highest **Final RFP Composite Score** will be considered the winner and the tentative selectee for award of the *Professional Services Contract* under this **RFP Proceeding**.
9. All Applicants, following the **RFP Interview** process will be notified of their respective status in accordance with the RFP Policy. This will conclude the **RFP Selection Process**.

**APPLICANT REVIEW & INTERVIEW CRITERIA:**

The *Selection Process Body* will review, all *Active Applicants’* applications, rank, and score them based on the following criteria:

**Detailed Applicant Review Phase** – 5 Categories:

- |                              |   |
|------------------------------|---|
| Experience and Expertise     | Quality of Services Proposed / Customer Service |
| Reporting and Accountability | Investment Performance Management & Service     |
| Cost of Services             |   |

The top three scoring applicants from the **Detailed Applicant Review Phase** will be considered the finalists for award of the professional services contract. Only the top three scoring applicants will continue to the last phase of the RFP process and tendered an invitation to interview.

**NOTE: NO ADDITIONAL INFORMATION** will be accepted or required during the interviews. Applicants will be expected to make presentations based on information provided in the applications and answer questions posed by the *Selection Process Body*.

The *Selection Process Body* will interview the top three Applicants and rank them based on following criteria:

**Applicant Interview Phase** – 2 Categories:

The quality of information presented during the interview

The perceived ability of the Applicant to best meet the municipality’s pension needs as outlined in the RFP

## TIMETABLE OF EVENTS AND SPECIFIC CLOSING DATES \*

EVENT	OPENING DATE*	CLOSING DATE*
REQUEST FOR PROPOSAL RESPONSE PERIOD – RFP’S ACCEPTED	January 21	February 1
RFP PRE-SCREEN PROCESS	February 4	February 15
RFP DETAILED APPLICANT REVIEW AND RANKING	February 18	March 1
APPLICANT INTERVIEW AND SELECTION PROCESS	March 4	March 6
MANDATORY WAITING PERIOD FOLLOWING INTERVIEW AND SELECTION & REQUIRED POSTING PERIOD	March 13	(See Below)

**\* Dates are subject to adjustment / changes, if necessary but not without notification to all applicants**

**Mandatory Waiting Period** will commence the day following the close of the **Selection Process**, which is scheduled for **March 14, 2013**. The Borough has **10 consecutive days** from this date to forward all documents related to the proceedings to all non-select applicants. From the date these notices are mailed, all non-select applicants will have **8 consecutive days** to forward an appeal, if desired, as stated below. This date will be clearly indicated on the **Applicant Status Notification Form**.

## WAITING PERIOD & PROCEDURE FOR APPEAL TO NON-SELECTION:

**Waiting period and objection resolution procedure following a tentative selectee decision:**

The waiting period between the time a **tentative selectee** and all other unsuccessful Applicants have been notified of their respective statuses and the expiration date of this period shall be 8 consecutive days. This period **will commence** when all notices have been mailed out and the same information has been simultaneously posted on the municipal website as prescribed in this Policy (if a website is maintained). The waiting period **will expire** at 1:00 pm on the 8<sup>th</sup> consecutive day following its commencement. After the expiration of this waiting period, the municipality may pursue the execution of the *professional services contract* with the **tentative selectee**, without further impedance, provided no objection to the selection has been made by any unsuccessful Applicant under the criteria set forth below.

**Appeal of Non-Selection Instructions:** If an unsuccessful Applicant, having received notification of their **non-selection** status following the completion of the **RFP Interview process**, objects to the decision and wishes to submit an appeal they **must notify the municipality**:

1. In writing and request confirmation of receipt by the municipality;
2. Clearly state the details supporting their objection and the specific reason(s) they believe the selection is/ was not in compliance with applicable laws and this Policy; and

3. Insure that the **written objection is received by the municipality prior to 1:00 pm on the expiration date of the waiting period as stipulated above** – This is the **appeal deadline** date.

It is the responsibility of the unsuccessful Applicant raising the objection to insure that the preceding criteria are met. The municipality is not obligated to review or respond to any objection that does not conform to these criteria. If an objection is made, and all of the stated criteria are met, the municipality will notify **via e-mail** the unsuccessful Applicant and all other concerned parties that the criteria has been met, the objection is under review, and the **RFP process** has been suspended indefinitely until a determination of validity and a subsequent course of action has been made.

Once this review of an objection has begun the municipality **will not, under any circumstances,** provide any details or respond to any type of communication regarding these proceedings to any interested party. All inquiries made to the designated **point of contact** for the **RFP Process** will be unanswered and immediately forwarded to the Municipal Solicitor. All communications regarding the objection and the **RFP process** will come from the office of the Municipal Solicitor.

## **APPLICANT STATEMENT OF RESPONSIBILITIES:**

It shall be the responsibility of any incumbent or perspective **Contractor or Applicant**; applying for, entering into contract for, submitting a bid or offer for, responding to a **Request for Proposal** on, or otherwise soliciting, a **Professional Services Contract**, to:

1. **Thoroughly familiarize** themselves with the **RFP General Policy Guidelines** and agree to abide by all guidelines and requirements stated herein;
2. **Thoroughly familiarize** themselves with all applicable statues of the Commonwealth of Pennsylvania – most especially, Act 44 of 2009, Chapter 7-A;
3. **Inform all** subordinates of the company, subcontractors and advisors of the policies and laws in effect during the **Request for Proposal Process**;
4. **Maintain overall control** of subordinates of the company, subcontractors and advisors, insuring that they do not violate this Policy and thereby cause the **Applicant** to be placed in a **“Disqualified Applicant” status**;
5. **Acknowledge by participation** that any breach or lack of compliance with such, whether intentional or otherwise, will result in immediate disqualification and debarment from the **Request for Proposal** process for up to a period of three years.

For the Applicant, the **RFP Process begins** when an Applicant submits a completed RFP Packet in response to this **Request For Proposal**. Submission of this will constitute an acknowledgement on the part of the **Applicant**, of a thorough understanding of the rules governing the **RFP Process**, and an agreement to abide by the same. Furthermore, all employees of the **Contractor** (the **Applicant**), subcontractors, advisors, and other applicable third parties, are considered subject to the same terms of agreement as stated above.

**Reminder:** It is the responsibility of the **Applicant** to submit these documents and any additional requested information by the **application closing date**. Further, all applicants are expected to respond to correspondences and other directives published in this RFP or as directed on those correspondences. Failure to comply with any of the preceding will result in the application being placed in the **“Disqualified Applicant” status** and the **Applicant** will not be permitted to compete for the **Professional Services Contract** under the current **Request for Proposal**.

***SPECIAL NOTE:*** *The following Documents are provided as separately and in **Word.doc** format to facilitate Applicant responses. They will be sent (are provided) to each applicant, along with this Request for Proposal:*

1. **PART C.....REQUEST FOR PROPOSAL – STANDARD APPLICATION**
2. **PART D.....ACT 44 STANDARD DISCLOSURE FORM**
3. **PART E.....APPLICANT STATUS NOTIFICATION FORM**