

# PART C: REQUEST FOR PROPOSAL – APPLICATION

## ARCHBALD BOROUGH, PENNSYLVANIA

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

### APPLICANT INFORMATION:

Company Name and Address:		Company's Principal Point of Contact:	
Point of Contact's Phone Number:			
Point of Contact's FAX Number:			
Point of Contact's E-Mail Address:			

### STATEMENT OF CONFIDENTIALITY ON INFORMATION PROVIDED:

All Applicants to this RFP – be advised that; this application and its contents shall be held in a confidential status until the conclusion of the Request for Proposal process, after which, all information provided on this application will become public accessible and may be disseminated in accordance with the other previously established policies of this municipal entity and the specific disclosure requirements of Act 44 of 2009, Chapter 7-A, except, information that is considered proprietary in nature and / or otherwise protected by law.

### APPLICATION INSTRUCTIONS & QUESTIONS:

#### GENERAL INSTRUCTIONS:

This Application is presented in **WORD format** to allow you to insert your responses without transposing the questions to a separate document. **Applicants must** submit their response to each question below that question and preface each one with the word ***Response:*** in bold Italic. All responses are to be in Times New Roman font – 12 point. Please do not reformat the Application. The margins have been offset to allow for binding. **ALSO SEE “SPECIAL INSTRUCTIONS”**, next page.

**No other form of written response is acceptable.**

**THIS PAGE IS INCLUDED TO PROVIDE SPECIFIC INFORMATION RELEVANT TO THIS RFP AND NOT REQUIRED AS PART OF THE RFP – PLEASE DISCARD BEFORE SUBMITTING YOUR APPLICATION.**

**SPECIAL INSTRUCTIONS:**

1. To eliminate confusion, when responding to a question and the answer applies to both plans, so state “*applies to both plans*”. If not, indicate which plan it applies to by stating “*applies to Police Plan only*” or “*applies to Non-Uniform Plan only*”. It is permissible to give separate answers, applicable to each of the plans individually, but you **must provide a response for all plans** and for all questions, even if the answer for a specific plan is “Not Applicable”.
2. This RFP requires applicants to provide detailed information regarding costs and fees structure. Therefore the following information is provided to assist applicants in calculating these costs and fees. If you require additional information that is not provided in order to properly respond to this RFP, please request this information by immediately **e-mailing** the designated **RFP Point of Contact**. Please explain – briefly – why the requested information is necessary.
3. The **Borough of Archbald** realizes that if the assets are more or less than those stated at the time the applicant assumes the assets, that the quoted fees may also change, commensurate with the change (+ or - ) in assets. The fee quotes are therefore considered a “good faith” estimate by the applicant based on the information provided at the time of application.

**The following demographic information** is provided for the reasons stated above.

**PLAN ASSETS – POLICE PENSION, DEFINED BENEFIT:** \$1,386,415 – as of: November 28th, 2012

**Other Demographics**

Total Plan Members: 5 active and 3 retired

**PLAN ASSETS – NON-UNIFORM PENSION, DEFINED CONTRIBUTION:** \$491,288 – as of: November 28th, 2012

**Other Demographics**

**Plan allows for both part time and full time employee participation.**

Plan requires member contributions with employer match

Total Plan Members: 7 active (full-time) and 4 active (part-time)

**Note:** As of Jan 31st there will be 3 participant additions; 2 full-time, and 1 part-time

## APPLICATION QUESTIONS:

1. Please provide the names and titles of all individuals who will be providing professional services to the **Archbald Borough's** pension plans identified in the RFP.
2. Describe how long your firm has been providing the types of pension services sought under this RFP – **specifically**, to municipal government entities in Pennsylvania. If your firm will employ any subcontractor or company that will be a party to providing the proposed services relative to this RFP, or in an advisory capacity, please indicate their experience relative to servicing pensions of municipal government entities in Pennsylvania.
3. In general terms, describe the make-up of your current municipal client base:
  - a. How many of your current public pension clients are **Pennsylvania municipal pension clients** at the township, borough, or municipal authority level (commonly referred to as *local government entities*)?
  - b. What are the percentages of those that are defined benefit vs. those that are defined contribution plans?
  - c. What are the total pension assets of those Pennsylvania municipalities that your firm has under direct financial management?
4. Provide some brief specifics relative to the qualifications and experience of the principal individuals primarily responsible for providing **investment management and/ or advisory services**. Also provide the same information for those primarily responsible for providing **administrative services** – specifically address their experience with Act 205 and Act 600 compliance and reporting. All responses to the preceding must reflect their qualifications and experience, specific **only** to the provision of pension services to Pennsylvania municipal clients.
5. Briefly describe the overall structure of the services platform your firm will employ to provide the desired services described under this RFP in **PART A: RFP Requirements and Specifications**. Please indicate if your firm will employ any subcontractor(s) and / or advisor(s) to assist in providing these services and their respective capacity.
6. How many PA municipal pension clients do you currently provide a platform of product(s) and service(s) similar to the one you are proposing in your response to question #5?
7. Please indicate if there are any aspects of the desired services described under this RFP in **PART A: Detailed RFP Requirements** that your firm is unable to perform or provide. Please be specific as to which one(s) apply.
8. Briefly describe a situation when your firm provided a timely and effective solution to a new client's crisis or circumstance that resulted in a positive resolution or elimination of the issue.
9. Describe your firm's approach to client support and if selected to provide services to this municipality, how this municipality will be integrated into your client support network.
10. Briefly describe any unique characteristics of the overall services platform your firm proposes and why (in your opinion) you feel it is best suited to meet the needs of this municipality's pension(s).

11. Has your firm (the Contractor) or any subcontractor or company in an advisory capacity that will be a party to the proposed services relative to this RFP, been involved in:

- a) Any adverse criminal, civil, regulatory, or government actions against any director or principal officer in the past 5 years; or
- b) Any investigation of the same nature that has occurred within the past 36 months?

If so, please indicate the outcome of said action or investigation. **Furthermore**, please indicate whether you have received notice or have any reasonable basis to believe that any criminal regulatory or similar investigation is likely to commence within the next 12 months.

12. Describe your firm's errors and omissions insurance and commercial general liability insurance and specific coverage.

13. Provide a brief overview of your firm's internal auditing and review procedures. Are there any reports generated from these procedures that are forwarded to clients?

14. Describe your firm's approach to monitoring and managing regulatory changes imposed by state and federal government entities and how you assist municipal clients in maintaining compliance. Additionally, describe your firm's approach to handling adverse audit findings by PA Auditor General's Office - should they occur.

15. What types of reviews or audits does your firm routinely conduct when assuming a new client? Are there additional fees incurred for these reviews or audits and if so, what do they typically cost?

16. **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.

17. Describe in detail the **asset classes and allocation mix** your firm proposes to employ if selected to provide investment services. Describe why you feel your firm's overall approach to asset management is best suited to meet the needs of this municipality? How often is the portfolio reviewed? Insure your response to this question is in sync with your response to Question #19.

18. If your firm plans to provide the investment services portion via a structured or multi-employer trust, please provide an overview of the trust's structure, how investment managers are chosen, and who is responsible for investment advising and allocation selection.

**IF NOT**, then discuss who is responsible for investment manager selection (or mutual fund selection), asset allocation, monitoring and advising. Also indicate how often the account is reviewed and reallocated or rebalanced.

19. Based on your response to Question # 17, Provide the **NET rate of return** for a client your firm manages and with the same asset allocation mix as you have proposed in response to Question # 17. Respond for each of the timeframes indicated below and the index (or indexes) your firm uses as a benchmark to measure performance.

Timeframe	Net Rate of Return %
Year ended – 2012	
3 years (thru 2012)	
5 years (thru 2012)	
10 years (thru 2012) or since inception*	
Index (or Indexes) used as a Performance Benchmark:	

\* If date of inception is used, please indicate so and the specific date of inception.

20. It is important that the **Rates of Return** provided in your response to **question # 19** reflect accounts that are (essentially) of the same make-up and design as you proposed in your response to **question # 17**, for comparative reasons.

- a) **If this is the case**, please state this in response to this question – no further explanation is necessary.
- b) **If not, please explain** the reason why and provide some additional information that will assist those reviewing your proposal in making an informed comparison.

21. Provide information on the timing and distribution of investment performance reports following the end of a reporting period. **Specifically** describe what types of exhibits (reports) would be presented in a summary report, those provided in a detailed report, and the frequency of each. **Please provide one example of a recent Summary Report.** Are costs for these reports included as part of the general services provided or are they billed separately? If billed separately, please indicate the fees associated with each.

22. Provide a list of the services your firm (and /or in cooperation with your subcontractors & advisors) will provide – **Investment, Administrative, and Actuarial.** After each section or group of services, list the fees associated with each and describe how these fees are calculated. Also, explain how the fees are billed or paid by the plan. Are all fees that are charged to the pension plan shown on the **Annual Summary Statement** or **Annual Plan Statement**? If not, indicate and how and when these fees are disclosed or accounted for.

**WARNING:** Your firm **MUST disclose all fees** associated with any portion of investment, administration, actuarial or advisory services provided to this municipality. These will include but are not limited to: **fees directly deducted** from plan assets or billed separately to the municipality; **and, any indirect fees** of any form to include fees associated with mutual funds such as expense ratios and other administrative fees or loads – front or back-end. This will also include any fees paid directly or indirectly to any subcontractor or advisor your firm will employ in meeting the requirements of this RFP. **Failure to do so will result in immediate disqualification.**

23. Specify any services that are offered but not included in the general services menu and the fees associated with each. Your answers should reference other questions previously answered where fees were indicated.
24. Specify any fees associated with **initial set-up or asset-transfer**. Specify any fees that would be levied **should the municipality withdraw or terminate** the professional services contract with your firm. If early termination fees are applicable, what time or types of restrictions apply to these fees?
25. Does your firm require a specific term or length of contract? If so, indicate the minimum period of time your firm typically contracts for. Also specify what, if any, penalties are contractually imposed for early termination of the contract by the municipality.
26. Does your firm offer periodic meetings with municipal leadership to discuss investment performance or administrative matters? Are there additional costs incurred for these meetings? If yes, please specify the fees and how they are calculated, including travel expenses if applicable.

**27. GENERAL QUALIFICATIONS AND SERVICES VERIFICATION STATEMENTS:**

A. *“Our firm (NOT including clients of any Subcontractors, affiliates, or Advisors) meets all of the criteria stated in the **REQUEST FOR PROPOSAL**, under the section: **MINIMUM REQUIREMENTS TO RESPOND.**”*

**IF YES**, so state hereafter and initial:

B. *“Our firm and our disclosed subcontractors, affiliates, and Advisors are fully capable of providing the services specified in the **REQUEST FOR PROPOSAL**, under the section: **DESCRIPTION OF SERVICES DESIRED** and additionally, those outlined in the **REQUEST FOR PROPOSAL**, under the section: **“ DETAILED RFP REQUIREMENTS.”**”*

**IF YES**, so state hereafter and initial: