

# Request for Proposal

## Colebrookdale Township, Pennsylvania

**Proposal For:** Professional Services Provider – Municipal Pension Plan

**Services For:** **Non-Uniform Pension Plan** (*Defined Benefit*)

**RFP NOTICE NUMBER:** 2019-01

**NOTICE DATE:** 18 January 2019

**RFP CLOSING DATE:** 15 February 2019

*The purpose of this Request for Proposal (RFP) is to announce the open application to any qualified provider, the opportunity to submit a proposal for review with respect to the professional services requested under this RFP. All necessary (required) services detailed later in this request for proposal. All applicants who meet the criteria in this RFP will be considered initially, while further consideration will depend on further review and the decisions of the selection committee.*

### Minimum Requirements to Respond

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

- 1. 5 or more** Pennsylvania municipal **pension clients** under contract for pension services that are the same as those desired and that the applicant is proposing to provide for this municipality (**Applies to all primary contractors** and sub-contractors – investment services, actuarial and administrative service providers) and;
- 2. 10 million** or more in Pennsylvania municipal **pension client assets** under **direct management** and;
- 3.** Demonstrate the ability to provide a clearly functional services platform that covers all desired services and conforms to all services requirements / prohibitions described in this Request for Proposal and;
- 4. 10 or more years'** experience providing professional pension services to PA municipal government entities and;
- 5. Provide 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, and other additional costs as may be 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 COMMITTEE** 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 **Prospective 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 Committee'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 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.

**Communications from the Applicant to the Municipality**

Applicants may **only** make inquiries for clarification of technical or administrative information and communicate those requests to the **Point of Contact** below.

**Requesting clarification or asking questions:** All requests for clarification of technical or administrative information must be sent **via e-mail** to the designated **POINT OF CONTACT** **prior to 15 February 2019**. **RESPONSES** will be returned via e-mail in the order they are received and in as timely a manner as possible.

**Point of Contact:** Cindy Conrad, Township Manager

**POC's E-mail:** cconrad@colebrookdale.org

**POC's Fax:** 610-367-7538

**Office Address:** Colebrookdale Township  
765 W. Philadelphia Avenue  
Boyertown, PA 19512

**Notifications from the Municipality to Applicants**

1. Applicants will be notified by e-mail, periodically, of changes to their applicant status. **AFTER EACH** notification, it is the applicants' responsibility to acknowledge receipt of such notification.
2. **AT NO TIME** or under any circumstance shall an applicant offer or submit a rebuttal (or challenge or contrary opinion) to any decision by the RFP Committee. All decisions are final and not open for discussion. Any such action on the part of a disqualified applicant will not be responded to.

3. Final Notice to the RFP finalists will be in the form of all required documents, including the Summary of Award Notice (IAW Act 44, Chapter 7-A, 2009) and sent by **Certified US Mail** (receipt signature required) to the unsuccessful finalists

## **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 and advisory services,
2. All banking and custodial services commensurate with maintaining a municipal pension plan
3. Attend meetings with the municipal Pension Board(s) to review pension plans when requested.

### **Specifications for 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. An investment portfolio & products that are managed by certified, SEC registered Investment professionals;
2. An Investment portfolio that demonstrates competitive returns via contemporary investment strategies and quality investments, yet maintains a reasonable degree of conservancy in the investment portfolio – ***no more than 60% diversified equities;***
3. Policy design or re-design (as necessary) that is commensurate with prudent investment strategies for municipal pension plans – ***an investment mix that is at or about 50% diversified equities and 50% bond or fixed investments – with no more than 10% deviation is desirable.***
4. Bond Investments must be of reasonable quality and grade via investment grade bonds or bond funds investing in the same.

**Investments may not include:**

1. Suggested investment portfolio or investment mix that is considered to be or was obviously constructed (“*cherry picked*”) without regard for risk or volatility or with fee reduction as the primary consideration – quality investments are more desirable than simply cost reduction.
2. Money Market or Certificates of Deposit accounts - as a primary source of investments
3. ETF’s or Index Funds as the only source of the investment portfolio – not more than 50% of total portfolio
4. Investments of any type that are generally considered too high-risk or imprudent for municipal pensions
5. Hedge funds or other high-risk alternative investments that are highly leveraged, illiquid or undiversified

**Actuarial Services for Defined Benefit Pension Plans**

- These services are not required but may be offered in response to **Question # 5** of the RFP Application

**Administrative Services must include but are not limited to:**

- These services are not required but may be offered in response to **Question # 5** of the RFP Application

**All banking and custodial services:**

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

**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 investment performance and other relevant topics or developments, as necessary.

**Procedures to Compete & Other Guidelines**

## **Procedures – General**

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:** Failure to comply with all directives and/or requirements stated herein or via any subsequent official notification or request from Colebrookdale Township, 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**.

### ***ALL Applicants must:***

1. Be able to fulfill all the requirements stated above;
2. Be capable of providing the full menu of services requested;
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 (the Application and Standard Disclosure form) of this RFP provide the majority of the necessary documentation and information required by the **RFP Selection Committee** 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. Understand that times and or scheduled events with respect to this RFP may be modified at any time at the discretion of the selection committee but not without notice to all remaining applicants.

## **Responding to This RFP - Response Documents**

Applicants that respond to this RFP must provide the following documents by the specified **RFP Closing Date, 15 February 2019 and not later than 3 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 or are otherwise deemed disqualified will not be returned. 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 the municipality. All documents will be arranged in the order they are listed below. No other arrangement is acceptable or permissible.

**Bound Document Copies – 7 copies (one for each member of the selection committee):**

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

**E-MAIL COPY (PDF. VERSION) OF THESE DOCUMENTS – 1 COPY:**

**Include “Pension RFP Services” in email subject line**

1. A completed **RFP Application**
2. Additional documents requested by the municipality – See “*Additional Documentation Requested*” below
3. A completed **Act 44 Standard Disclosure Form**

**NOTE:** Please provide, only when (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 time to respond to such requests.

**Procedures for Responding**

1. **Prepare and send or deliver**, the number of bound and the e-mail copy 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

**Additional Documentation Requested**

**Do not provide** letters of introduction, additional documents, references, exhibits, or other unsolicited information other than what is requested in this RFP and those items listed below. Failure to adhere to this request will result in disqualification. If the selection committee decides that additional documentation is required, a request will be sent to all applicants and a new deadline for response specified.

**Pursuant to **Question # 10** 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 **Request for Proposal announcement posting (complete set of RFP documents) on the municipality’s 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 (under #3 above) via e-mail.
5. The *Selection Committee* conducts a Detailed Applicant Review and ranks each Applicant in accordance with the criteria outlined in the next section. A score or ranking from this process will be determined and **only** the top three (3) ranked Applicants **may** continue to the next step. Depending on the quality and quantity of applicants, fewer than three may be interviewed (at the **sole discretion** of the *Selection Committee*). Applicants that do not rank in the top 3 or that the *Selection Committee* does not wish to interview will be notified of their status and that they are no longer eligible to compete under this RFP Process.
6. Up to the top three Applicants (if applicable) will be notified of their status and an interview appointment established by the *Selection Committee* and the *CAO* via e-mail. In the event that the *Selection Committee* determines that it does not need to conduct interviews (with or without selecting a candidate) finalists will be notified of such determination.
7. If interviews are conducted, the *Selection Committee* will conduct Applicant Interviews and rank each Applicant in accordance with the criteria that follows.
8. All Applicants, following the RFP Interview process will be notified of their respective status in accordance with the RFP. This will conclude the RFP Selection Process.

### **Final Selection**

The decisions of the *Selection Committee*, pending final approval of the **Colebrookdale Township** Commissioners, are final. There are no provisions under this RFP that allow a non-selected applicant to contest the selection. At the conclusion of the interview process, the *Selection Committee* will decide to either recommend the top-scoring candidate as the *tentative selectee* or close the RFP Process with a determination of **non-select**. If a tentative selectee is chosen, the *Selection Committee* will present a synopsis of the RFP Process and the name of the *tentative selectee* at the next scheduled public meeting of the **Colebrookdale Township** Commissioners. A motion shall be made, and a vote taken by all commissioners present, to accept or decline the *Selection Committee's* recommendation.

If the recommendation of the *selection committee* is not approved by a majority vote, the RFP Process shall be terminated and non-selection the result. If the recommendation is approved by the **Colebrookdale Township** Commissioners, the RFP Process shall continue in accordance with the requirements of Act 44, Chapter 7-A, with regard to final selection and notifications.

### **Applicant Review & Interview Criteria:**

**Special Note for Interviewing Applicants: 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 Committee*.

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

### **Detailed Applicant Review Phase** – 4 Categories:

Qualifications & Experience // Services Proposed & Fees // Reporting & Accountability // Investment Management

The *Selection Committee (at their sole discretion)* may interview as many as 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 that best meets the municipality’s pension needs per this RFP

**Timetable of Events and Specific Closing Dates (1)**

EVENT	OPENING DATE*	CLOSING DATE*
REQUEST FOR PROPOSAL ADVERTISED & RESPONSES ACCEPTED PERIOD	18 January 2019	15 February 2019
RFP PRE-SCREEN PROCESS / AND / RFP DETAILED APPLICANT REVIEW AND RANKING	15 February 2019	1 March 2019
RFP FINAL SCORING AND APPLICANT INTERVIEW NOTIFICATION PERIOD	1 March 2019	1 April 2019
APPLICANT INTERVIEW AND COMMITTEE’S TENTATIVE SELECTION DATES (IF THE COMMITTEE ELECTS TO HOLD INTERVIEWS).	19 or 20 March 2019	
MANDATORY NOTIFICATION AND WAITING PERIOD FOLLOWING INTERVIEW, SELECTION & COMMISSIONER’S VOTE TO ACCEPT:	15 April (2) Commissioner’s next stated meeting	

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

**(2) A Mandatory Notification Period** will commence the day following the close of the **Selection Process**, which is scheduled for **1 April 2019**. The municipality 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, a **Mandatory Waiting Period** will commence. The municipality will wait **7 consecutive days before closing the RFP Process** and entering into contract negotiations with the newly selected professional service provider (the *tentative selectee*) as mandated by Act 44, Chapter 7-A, 2009.

**SPECIAL NOTE:** *The following Documents are provided separately and in Word.doc format to facilitate applicant responses. They will be posted and available on the Township’s website, along with this Request for Proposal for applicants’ review and retrieval:*

- 1. Request for Proposal – Standard Application**
- 2. Act 44 Standard Disclosure Form**