

Request for Proposal – Standard Application

Colebrookdale Township, Pennsylvania

RFP NOTICE NUMBER: 2019-01

Applicant Information:

Company Name and Address:

Company's Primary Point of Contact (*the applicant*):

POC's Phone Number:

POC's FAX Number:

POC'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. **NOTE: NO OTHER FORM OF WRITTEN RESPONSE IS ACCEPTABLE**

The margins have been offset to allow for binding.

SPECIAL INSTRUCTIONS:

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. Further, the **Colebrookdale Township Council** 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 Demographics:

All demographics are as of: November 2018

	Plan Assets	<i># of Active Members</i>	<i># of Inactive /vested members</i>	<i># of Retirees</i>
Colebrookdale Township Non-Uniform Pension Plan	\$975,010	NA	NA	NA

APPLICATION QUESTIONS:

PART 1 – QUALIFICATIONS & EXPERIENCE

1. Please provide the names and titles of all individuals who will be providing professional services to the **Colebrookdale Township Non-Uniformed Employee Pension Plan** identified in the RFP. Further, if your firm will employ any subcontractor, co-applicant, or company that will be a party to providing any of the proposed services relative to this RFP, or in an advisory capacity, please indicate all respective parties and their capacity, relative to servicing these pension plans.
2. Experience and Expertise of your firm and select individuals:
 - a) Describe how long your firm has been providing the types of pension services sought under this RFP – **specifically**, to municipal government entities in Pennsylvania.
 - b) Provide some **brief specifics** relative to the qualifications, experience and expertise of the principal individuals responsible for providing **Investment Management and Advisory Services**. If you provide other services, such as **Administrative and Actuarial Services** (although not requested by this RFP, **please provide a response** for these services as well. Specifically address their experience with providing investment (and other) services to **PA municipal pensions**.
3. **Client Demographics:** In general terms, describe the make-up of your current municipal client base by answering the following questions:
 - 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 total pension assets of those **Pennsylvania municipalities** that your firm has under direct financial management?
 - c) How many of your PA municipal clients are Non-Uniformed Employee Pension Plans?
 - d) How many of your PA municipal clients are Defined Benefit Plans?

PART 2 – SERVICES PROPOSED & FEES

WARNING: Your firm **MUST disclose all fees** associated with any portion of investment, administration, or advisory services. These will include but are not limited to: **fees directly deducted** from plan assets or billed separately to the Pension Plan; and/ or **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 must also include any fees paid directly or indirectly to any subcontractor or advisor your firm will employ in meeting the requirements of this RFP.

Further, **all quoted fees for services must** provide for or cover all services stated in the RFP as “*Requirements and Specifications*”, at a minimum. **Failure to sufficiently provide** a clear and concise cost estimate, clearly linked to all the desired services requested in this RFP will not be acceptable.

- 4. Provide Services and Fees Information:** Provide a list of services your firm (and / or any subcontractors) will provide our pension plans as it pertains to investment and advisory services. **Then, clearly indicate the fees, both direct and indirect for each category of services, and specify how these services are fees are calculated – flat fee, asset-based percentage, etc.**
- Advisory Fee(s)
 - Underlying Manager / Fund / ETF fee(s)
 - Commissions or additional sources of revenue

Colebrookdale Township Non-Uniform Pension Plan

All figures based on Plan Assets of: **\$975,010**

Non-Uniformed Employee Plan Fees	Percentage of Plan Assets	Dollar Amount
Q 1a: Advisory Fee –		
Q 1b: Underlying Manager/ Fund / ETF Fees		
Q 1c: Commissions or additional sources of revenue		
Total Investment Fees		
Additional Services and Fees (optional)		
Please specify what types of services are included and give details in Question #5		
Additional services and fees (specify here)		
Additional services and fees (specify here)		
Total Estimated Plan Costs Including investment fees above		

NOTE:
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ng Investment Manager or Mutual Fund / ETF Fees” – These fees should correspond with your response to **Question #16**, “Describe in detail the asset classes and allocation mix your firm proposes to employ...” and the sample investment mix of mutual funds you provide in response to the same. **This correlation between costs and proposed investment mix (fund selection) is not optional and is anticipated to be a good faith estimate.**

- 5. Specify any additional or ancillary services:**
- Does your firm offer any other services that **are or are not included** in **Question # 4**? If so, what are these services and what are the fees associated with these services? Please add these additional service costs to your response to **Question # 4**.
 - Will there be any fees associated with **initial set-up or asset-transfer**?
 - Are there any fees that would be levied **should Colebrookdale Township withdraw or terminate** the professional services contract with your firm before the end of the contract? If early termination fees are applicable, what time or types of restrictions apply to these fees? Does your firm require a specific term or length of contract? If so, indicate the minimum period for your firm’s contracts.
- 6. Briefly describe your firm’s approach to client support and how the plans will be integrated into your client support network, if selected to provide services to all three Colebrookdale Township NU Pension Plan.**
- 7. Do you or your parent company receive any direct or indirect compensation from investment managers?**

PART 3 – REPORTING & ACCOUNTABILITY

8. In accordance with the requirements of this RFP, your firm must agree to offer periodic meetings with municipal leadership to discuss investment performance or administrative matters. How often do you suggest these meetings should be held? Are there additional costs incurred for these meetings? If yes, please specify the fees and how they are calculated, including travel expenses if applicable.
9. Briefly 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.
10. **Please provide one example of an *Investment Summary Report*. This should be labeled Appendix A in your response.**
 - a) Provide information on the timing and distribution of investment performance reports following the end of a reporting period.
 - b) What are the costs for providing this report? Again, **this must be** of the same design as the one your firm will routinely provide for the **Colebrookdale Township NU Pension Plan**.
 - c) How many business days after the end of a reporting period are the performance reports available?

PART 4 – INVESTMENT PERFORMANCE & MANAGEMENT

11. Will your firm act as a fiduciary to the pension plan and if so, specify the extent of your fiduciary role?
12. Is your firm, its parent or affiliate a registered investment advisor with the SEC under the Investment advisors Act of 1940?
13. Does your firm utilize any proprietary funds or investment instruments that are owned, operated, or contractually affiliated with your firm or its parent company? If so, please describe those relationships.
14. Briefly discuss who is responsible for investment manager selection (or mutual fund selection), asset allocation, monitoring and advising. Also, indicate (normally) how often the account (or the overall portfolio) is reviewed, reallocated, or rebalanced.
15. Briefly discuss your firm's approach to prudent stewardship of the assets of **Colebrookdale Township NU Pension Plan** and specifically, risk-return measures your firm will employ to protect the plans' assets. What measures or indicators do your firm use to track risk in the portfolio and risk-adjusted return? Are these results routinely shared / discussed with a client?
16. Briefly describe the **asset classes and allocation mix** your firm proposes to employ if selected to provide investment services. Further, if you will be utilizing mutual funds, provide a sample mutual fund selection for each of the asset classes you would invest in and the corresponding allocation by % to each fund. If using ETFs or Privately Managed Accounts, provide the same information.

THEN...describe why you feel your firm’s overall approach to asset management is best suited to meet the needs of the **Colebrookdale Township NU Pension Plan**.

17. Past Investment Performance History:

- a) **Based on your response to Question # 16**, Provide the **Annualized NET rate of return** for a client your firm manages and with the same (or essentially the same) asset allocation mix as you have proposed in response to **Question # 16**. Respond for each of the timeframes indicated below and the index (or indexes) your firm uses as a benchmark to measure performance. Be sure the sample client you select has at least 10 years under your management. If not, you may use a composite of your clients, so long as they meet the criteria of the RFP and the allocation closely resembles the one you used to respond to **Question # 16**. **You must clearly indicate that, in responding to all Questions that follow, you are using composite data.**

Investment Returns Chart

Timeframe	Net Rate of Return %	Index or benchmark %
Year ended – 2017		
3 years (thru 2017)		
5 years (thru 2017)		
10 years (thru 2017) or since inception*		
<i>* If date of inception is used, please indicate the specific date of inception.</i>		
Index (or Indexes) used as a Performance Benchmark:		

- b) Based on your answer to *part a) of this Question*, what were the NET rates of return for each of the last 10 years. **Please complete the table below** as your response to this question.

YEAR	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Return										
INDEX										

18. It is important that the **Rates of Return** provided in your response to **question # 17** reflect an account that is (essentially) of the same make-up and design as you proposed in your response to **question # 16** for comparative reasons...if this is the case, indicate this by, **“yes this in the case”**, as your response below – no further response is necessary. For those respondents that have used composite information or data in **Question 17**, please explain here why composite data was used and how it correlates with your response to **Questions 16**.

19. Please provide the following information regarding your answers to **Questions 16 and 17**.

10-year Data (or since inception)	
<i>* If date of inception is used, please indicate the specific date of inception.</i>	
Enter, Inception Date or "10 Yr."	
Annualized Rate of Return (net)	
Index or Benchmark Return	
Beta	
Standard Deviation	
Downside Market Capture	
Sharpe Ratio	

NOTE: If accurate data is not available for time period requested in the table above, so indicate and provide a short explanation below this note.