

## II. Request for Proposal Requirements, Specifications and Procedures

**Request for Proposal Type of Service and Due Dates**  
**Muhlenberg Township, 210 George Street, Reading, PA 19605**

**Proposal For:** Investment Management Services for the Non-Uniform and Uniform Pension Plan

**Services Provided For:** Muhlenberg Township Pension Plans

**RFP Notice Date:** 12/16/2019

**RFP Due Date:** 1/31/2020

### **MINIMUM REQUIREMENTS TO RESPOND**

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

1. Ten or more Pennsylvania municipal pension clients under contract for pension services – Defined Benefit plans only.
2. Two or more Pennsylvania Municipal Police Pension Plans – Act 600 compliant.
3. \$100 million or more in Pennsylvania municipal pension client assets under direct management – Defined Benefit or Defined Contribution plans.
4. Ability to provide a clearly functional services platform that addresses all desired services described in this RFP – directly or in partnership with a subcontractor.
5. Ten or more years' experience providing similar pension services to PA municipal government entities as desired under this RFP.

### **CONFLICT OF INTEREST POLICY & COMMUNICATION**

A Conflict of Interest Policy has been adopted by the Muhlenberg Township. This includes the restriction for one year following the:

1. Participation by a former employee of a contractor or a potential contractor in the review of a proposal or negotiation of a contract with the contractor;
2. Participation of a former employee of the municipal pension system in the submission of a proposal or the performance of a contract.

Communication Restriction: Except as specifically authorized in this RFP: Effective as of the RFP Notice Date, 12/16/2019, and prior to the time of a decision made by the Board 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 appointed official of Muhlenberg Township; employee of Muhlenberg Township; any other persons in a position to influence the Board's decision at any time during the RFP process in regards to this RFP. Any applicants / respondents to this RFP are hereby warned that, effective the RFP notice posting

date, 12/16/2019, the only authorized communication of any kind regarding this RFP between the Township of Muhlenberg and any applicant will be through the designated Point of Contact (POC). Applicants or potential Applicants may only make requests for technical clarification. This does not preclude the POC from contacting the Applicant and requesting clarification or additional information – by whatever means deemed necessary – in order to effectively manage the RFP Process, which request can be timely responded by the Applicant. This policy will remain in effect until the entire RFP Proceedings have closed. Any breach of this policy, whether intentional or otherwise, will result in immediate disqualification from the RFP process.

**Applicants will:**

1. Mail the RFP Response Documents to the designated POC by January 31, 2020.
2. E-mail requests for technical clarification concerning the RFP to the designated POC by January 17, 2020. All responses to applicant’s questions will be delivered by E-mail by January 24, 2020

**Applicant Status and Communication during Screening/Interview Process:**

This table details the means by which the Township of Muhlenberg’s POC 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
<b>Receipt of Application</b>		
Acknowledgement of Receipt of RFP from Applicant	E-mail to Applicant from the Township of Muhlenberg	None
<b>Pre-Screen</b>		
Active Applicant – <b>Selection of applicant to move forward to interview</b>	E-mail to Applicant from the Township of Muhlenberg with date of interview	E-mail response from Applicant confirming date of interview
Disqualified Applicant – <b>following Pre-Screening</b>	E-mail to Applicant from the Township of Muhlenberg	None
<b>Post-Interview*</b>		
Selected Applicant – <b>following Interviews</b>	E-mail Summary of Award Notice and Selectee Letter** from the Township of Muhlenberg	E-mail response from Applicant confirming receipt of award
Non-Selected Applicant – <b>following Interviews</b>	E-mail to Applicant from the Township of Muhlenberg	None

\*Applicant Notification form may also be used to notify applicants during the process (see Appendix A)

\*\*See sample in Appendix B

**Note:** All Applicants, following the RFP Interview process will be notified of their respective status within 10 business days of the interview.

**DESIGNATED POINT OF CONTACT (POC):**

**Dawn Cieniewicz, Finance Director**  
Muhlenberg Township  
210 George Street, Reading, PA 19605  
610-929-4727 Ext. 243 [dcieniewicz@muhlenbergtwp.com](mailto:dcieniewicz@muhlenbergtwp.com)

**Specifications Related to the Services Desired:**

All Applicants that respond to this RFP must be able to provide comprehensive investment services including (but not limited to) and provide fees associated with such:

- Investment management
- Advisory services that include but are not limited to; advice on investment policy statement design, re-design, or adjustments (as necessary)
- Provide all banking and custodial services commensurate with maintaining a municipal pension plan
- Asset Allocation studies
- Performance measurement and monitoring including showing performance versus appropriate peer groups/benchmarks
- Reporting including preparation of financial statements, all required pension forms required by Pennsylvania and Federal Government statutes and retiree payments and tax related accounting functions.
- Attending periodic meetings with the Board to review pension plan(s)
- Additional advisory services, relevant to a PA municipal Defined Benefit Pension Plan; these services may be on an as-requested basis and not necessarily part of the main menu of services

**RESPONDING TO THIS RFP:**

**ALL Applicants must:**

1. Complete all required application material and return to the POC before the application deadline January 31, 2020.
2. Abide by all policy and procedural requirements stated on any RFP document;
3. Understand that The RFP application documents provide the majority of the necessary documentation and information required by the Board to adequately evaluate each applicant's potential to fulfill the professional services contract obligations desired;
4. Understand that unless specifically requested, no additional documentation is required or necessary;
5. Be prepared to provide addition documentation, if requested, and by the deadline specified.

**RFP Response Documents:**

Applicants that respond to this RFP must provide the following documents by the specified RFP closing date of January 31, 2020.

**DOCUMENT COPIES – Five**

1. A completed RFP application with attachments
2. Additional documents requested by the Board
3. A completed Act 44 Standard Disclosure Form

**Procedures for Responding:**

1. Prepare and send or deliver all copies of the RFP Response Documents listed previously to the Township of Muhlenberg's POC not later than January 31, 2020. Applications received after this date and time will not be considered for selection under this RFP.
2. Be prepared (if requested) to forward a current resume of anyone listed on the Standard Disclosure Form to the Township of Muhlenberg's POC.
3. Be prepared to respond to any additional requests for information and / or further directives

Once applications have been received and processed, the designated POC will send an e-mail response to confirm that the application has been received by the [Enter Municipality Name].

**RFP PROCESS OVERVIEW**

The RFP Process will commence with the posting of the Request for Proposal on the Township of Muhlenberg's website.

The following is a brief overview of the steps Muhlenberg Township will take in conducting this process and subsequent determination of the most qualified applicant to receive award of the professional services contract:

1. The POC monitors and acknowledges receipt of all applications.
2. The POC Closes the RFP Application process by the designated deadline.
3. The POC conducts the Applicant Pre-Screening to ensure 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 POC will notify all applicants of their respective status via EMAIL.
5. The POC will schedule dates and times to conduct a detailed review of each Active Applicant application.
6. The Board conducts a detailed Active Applicant review and ranks each Active Applicant.
7. The Applicant(s) will be notified of their status and an Interview appointment established.
8. The Board will conduct Applicant Interviews and rank each Applicant in accordance with the Applicant Review & Interview Criteria.

9. All Applicants, following the RFP Interview process, will be notified of their respective status within 10 business days of the interview.

10. Within 10 days of awarding the contract and at least 7 days prior to the execution of the contract, the successful application, a summary of the decision selecting the successful applicant and all required disclosure forms will be delivered to all of the bidders and posted on the municipality's website. This will conclude the RFP Selection Process.

**APPLICANT REVIEW & INTERVIEW CRITERIA:**

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

***Applicant Review/Interview***

<b>Evaluation Criteria</b>	<b>Weight</b>
<b>Experience with PA Public Pension Plans</b>	20%
<b>Expertise in Multi-Asset Class Management</b>	10%
<b>Shows Independence and Objectivity</b>	10%
<b>Dedicated Resources to PA Pensions</b>	10%
<b>Reporting Capabilities</b>	10%
<b>Quality of Services Proposed</b>	10%
<b>Overall Expenses</b>	20%
<b>Demonstrate track record of performance</b>	10%

**TIMETABLE OF EVENTS AND SPECIFIC CLOSING DATES \***

<b>Event</b>	<b>Opening Date</b>	<b>Closing Date</b>
Request for Proposal Response Period - RFP's Accepted	<b>12/16/2019</b>	<b>01/31/2020</b>
RFP Pre-Screen Process and Review/Ranking	<b>February 1, 2020</b>	<b>February 14, 2020</b>
Applicant Interview and Selection Process	<b>February 17, 2020</b>	<b>February 28, 2020</b>
Award successful Applicant	<b>March 16, 2020</b>	<b>March 16, 2020</b>
Distribution of successful application, summary and disclosure forms to non-selected Applicants [Note: must be within 10 days of award]	<b>March 17, 2020</b>	<b>March 31, 2020</b>
Mandatory Waiting Period Following Interview and Selection & Required Posting Period Signing of contract [Note – must be at least 7 days after distribution of materials to non-selected Applicants]	<b>April 1, 2020</b>	

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

### **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 statutes of the Commonwealth of Pennsylvania – most especially, Chapter 7-A of Act 205 (Section 15 of Act 44 of 2009) ;
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 the Posted Request for Proposal. Submission of a proposal 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.

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 Notice.

**III. REQUEST FOR PROPOSAL - Application  
Muhlenberg Township, 210 George Street, Reading, PA 19605**

**Proposal For:** Pension Fund Investment Management Services  
**Services Provided For:** Uniform & Non-Uniform Pension Plans  
**RFP Notice Date:** December 16, 2019  
**RFP Due Date:** January 31, 2020

**APPLICANT INFORMATION:**

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

**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 publicly accessible and may be disseminated in accordance with the other previously established policies of the Township of Muhlenberg and the specific disclosure requirements of Chapter 7-A of Act 205 (Section 15 of Act 44 of 2009) , except for information that is considered proprietary in nature and / or otherwise protected by law. Please also be advised that a copy of the successful application and all required disclosure forms will be forwarded to all unsuccessful Applicants and placed onto the website for Muhlenberg Township.

## **APPLICATION INSTRUCTIONS & QUESTIONS:**

### **GENERAL INSTRUCTIONS:**

This Application is presented in WORD format to allow you to insert your responses without transposing the questions.

### **APPLICATION QUESTIONS:**

#### **I. HISTORY AND OWNERSHIP**

---

**1. List your firm's complete name, address, e-mail address and telephone and fax numbers. Provide a brief history of your firm, the year it was founded, location of its headquarters and other offices.**

**a. How long has the firm been acting as a financial advisor/performance monitor for municipal pension funds?**

**b. What is the total asset base of the pension funds on which you consult?**

**c. Provide a listing of all governmental or municipal pension funds, including amount of assets, for which the firm currently acts as an advisor.**

**d. Describe your level of experience and familiarity with Pennsylvania's Act 600.**

**e. Describe your level of experience in advising clients on 401, 457 and related IRS recognized defined contribution programs.**

#### **II. ORGANIZATION**

---

**1. Describe the lines(s) of business in your firm, your parent organization and any affiliated companies.**

**2. Is your firm, its parent or affiliate a registered investment advisor with the SEC under the Investment Advisors Act of 1940?**

**3. Within the last five (5) years has your organization or an officer or principal been involved in any business litigation or other legal proceedings relating to your consulting activities? If so provide an explanation and indicate the current status or disposition.**

**4. If your firm, its parent, or affiliate is a broker/dealer, do you trade for client accounts through this broker/dealer?**

### **III. EMPLOYEES**

---

**1. Identify the consultants and other key staff who would be involved in serving our account. Provide biographical data on these individuals.**

**2. Provide biographies of other key individuals in your firm.**

**3. Do any of your investment consultants have portfolio management or plan sponsor experience? Please give details.**

**4. Describe your firm's compensation arrangement for professional staff.**

### **IV. RESEARCH**

---

**1. Describe your firm's approach to investment research. Please indicate relationship with researchers/academics outside your firm.**

**2. Give examples of how your research has been integrated into your products and services.**

**3. What tools do you use to evaluate managers and the market? Did you develop these tools in-house or purchase them from vendors?**

**4. Describe the educational opportunities provided to your clients' trustees and staff. Describe the qualifications of presenters at recent workshops.**

## V. ASSET ALLOCATION & INVESTMENT POLICY

---

- 1. What is your firm's investment philosophy and framework for having a deep understanding of asset classes?**
- 2. What is the firm's process for establishing client objectives and developing the Investment Policy Statement?**
- 3. What measures does your firm have in place in order to comply with the Investment Policy Statement?**
- 4. How does your firm compile Capital Market Assumptions and how often are the assumptions updated?**
- 5. How does your firm determine the asset allocation structure and appropriate asset mix?**
- 6. Does your firm implement tactical asset allocation moves? If so, how have they contributed to performance?**
- 7. How does your firm measure performance?**
- 8. Does your firm interface with the Municipalities' Actuary? If so, in what way?**

## VI. INVESTMENT MANAGER SEARCH

---

- 1. Describe how your firm gathers, verifies, updates and maintains the data collected on managers.**
- 2. Do you receive any direct or indirect compensation from investment managers?**
- 3. Describe the due diligence process utilized in the selection of a money manager.**
- 5. Give an overview of your firm's approach and criteria for placing a manager on a watch list. Under what conditions would the manager be terminated?**

## VII. PERFORMANCE REPORTING

---

1. Describe your firm's performance reporting and evaluation services.
2. What methods and sources of data do you use in calculating investment performance of a client's portfolio? Do you comply with CFA Institute (formerly AIMR) Global Investment Performance Standards (GIPS) for rate calculation? Do you reconcile your calculated performance with investment managers and custodians? Describe this process.
3. How often are performance reports produced and delivered? Include a sample performance evaluation report in the appendix of your response.
  - a. How many business days after the end of a reporting period are the performance reports available?
  - b. Can the reports be customized?
4. Discuss the performance attribution your firm is capable of providing.
5. Describe how benchmarks are chosen or developed. Describe your custom benchmark capabilities.

## VIII. CLIENT BASE

---

1. Enter number of institutional retainer clients in each category:

Distribution By Asset Size				
Size (Millions)	Public Pension Funds	Endowments/ Foundations	Corporate Funds	Other
0-50				
51-500				
501-1000				
1001-5000				
Over 5000				

**2. Please provide a representative list of PA Municipal clients similar to ours.**

**3. Please provide three (3) current government defined benefit pension plan references in your client base and related contact information (Name, Title, and Phone Number).**

## **IX. ETHICS**

---

**1. Does your firm, its principals and affiliates, subscribe to a professional Code of Ethics? Describe how you address conflicts of interest in providing advice to your clients. Please provide a copy of any formal ethics or conflicts of interest policy.**

**2. Does your firm carry professional liability or any other relevant insurance? If so, please describe the insurer, the type of insurance coverage, the beneficiary or such coverage, the limits of such coverage, and the deductible amount under coverage. Please provide a current certificate of insurance confirming that such coverage is currently in effect.**

**3. Is your organization currently aware of any claims or notices of potential claims that have been made or are being made with respect to such policies?**

**4. Does your firm accept soft dollars as a method of payment for services provided? If so, how do you prevent conflicts of interest? Please list the advantages and disadvantages you see in the use of soft dollars.**

**5. If hired, will your firm receive any other form of compensation from working with this account that has not yet been revealed? If yes, what is the form of compensation?**

**6. Does your firm provide other services that would conflict with unbiased advice, such as providing Actuarial, Brokerage, and Custodial Services? If so, please clarify why this would not be a conflict.**

**7. Please provide a draft investment advisory services contract for review, as well as information regarding the fiduciary liability insurance and fidelity bonding that your firm would maintain for this account if hired.**

## X. FEES

---

**1. Please provide a fee proposal for the services outlined on page 3 as well as below:**

**a. Advisory Fee**

**b. Underlying Manager/Fund/ETF fee**

**2. Custodial and Banking fee**

**3. Are you willing to guarantee your fees for a specific period of time?**

**4. If your firm accepts soft dollars, please describe how this would impact our fees.**

## XI. ATTACHMENTS

---

**1. Please provide the following additional attachments:**

**a. Form ADV, Part II**

**b. Sample Quarterly Report**

**c. Certificates of Insurance**

**d. Sample Agreement**

**e. Composite Performance**

