



**THE BOROUGH OF PHOENIXVILLE**

**REQUEST FOR PROPOSALS (RFP)  
RFP 2016-12**

**To Provide  
FINANCIAL ADVISORY SERVICES POLICE AND NON-UNIFORMED  
PENSION PLANS  
for  
Borough of Phoenixville,  
Chester County, Pennsylvania**

**December 22, 2016**

## **SECTION I: INTRODUCTION SUMMARY**

The Pension Advisory Committee of The Borough of Phoenixville is requesting sealed proposals for a Pension Plan Services Provider for Uniformed and Non-Uniformed Defined Benefits Pension Plans. The proposals will be accepted by the Borough of Phoenixville (the “Customer”), Monica Koza-Lubinsky, 351 Bridge Street – 2<sup>nd</sup> Floor, Phoenixville, PA 19460 January 24, 2017 by **12:00, noon, EST** The sealed proposals must be in the possession of Ms. Koza-Lubinsky by that time.

Please forward any questions regarding clarifications to Monica Koza-Lubinsky (Finance Director) at 610-933-8801 ext 211 or [mlubinsky@phoenixville.org](mailto:mlubinsky@phoenixville.org).

### **BACKGROUND AND OBJECTIVES**

The governing body for the Borough of Phoenixville is the Phoenixville Borough Council.

The objective of this Request for Proposal is to identify qualified providers, thus, maximizing exemplary quality and service while minimizing expenditures from the Customer. The Customer’s interest is based on procuring the most amicable relationship and assembly of services tailored to meet the Borough’s specific requirements.

The application and all materials shall remain confidential until such time that the RFP process has concluded, upon which time, the publicity and dissemination of materials shall occur, as in accordance with Act 44 of 2009, Chapter 7 as well as with established Borough policies. The exception would be any information that would be deemed proprietary and or otherwise protected by law.

### **GENERAL INSTRUCTIONS**

It is preferred that the application be submitted in Microsoft WORD format in an effort for you to document your responses without transferring the required questions into a detached docket.

Responses **MUST** be submitted below the appropriate question and **MUST** be prefaced by the word **RESPONSE**: In bold and in Times New Roman font – 12.

The Borough will not accept any other form of response other than what is delineated above.

**SECTION II: QUESTIONS, CREDENTIALS, AND SUBSTANTIATION PROCLAMATION**

Please be mindful that this is in no way to be construed as a competitive bid for services, rather, this is a request for professional services.

1. Please provide the Names and Titles of **all individuals** that will be involved in supporting or providing any and all professional amenities to the Borough's Police and Non-Uniform Pension Plans. Included, but not limited to, should be, the Firm's Legal Name, complete address, any subsidiaries or affiliate companies, corporate structure/ownership.
2. Please provide a detailed description of the length of time your organization has been offering the said pension services to municipalities and police departments throughout the Commonwealth of Pennsylvania. In the event that your organization will employ the services of a third party, outside subcontractor or anyone in an advisory capacity, include their relative experience in providing the said pension services in Pennsylvania as well ( i.e. 401, 457B, and other defined contributory pension plans).
3. Please provide a description of the configuration of your organizations current municipal client base.
  - (A.) Please delineate the number of clientele that are PA municipal clients at the Borough, Township, or Municipal Authority level (also known as local government agencies).
  - (B.) Please delineate the number of police departments within your current clientele.
  - (C.) Please delineate the make-up of your organizations total municipal client base that are defined benefit vs. those that are defined contribution plans.
  - (D.) Please delineate the total pension assets of PA based municipalities, directly under your organizations fiscal administration.
4. Please provide specific information pertaining to the experience and qualifications of those individuals who will be responsible for the investment and advisory service of the said plans. Additionally, please provide the identical information for those persons acting in an administrative role, highlighting their experience with PA Pension Laws, more specifically, PA's Act 600 regarding police pension plans. Include compliance reporting information as well.
5. Please provide a description of the manner in which your organization anticipates supporting the desired services as required within this RFP. Expound upon the platform in which your organization will do so, and again, identify any outside agencies, subcontractors, advisors or other service providers. Please include the capacity in which the external providers will be serving and their respective experience and roles. Also denote any educational opportunities provided to clients', trustees, staff and plan participants.

6. Please provide the number of PA municipal pension clients that you presently offer a proposal of services, similar in nature, to what your organization is offering in your response to question # 5.
7. Please disclose, at this time, any facets presented herewith, that your organization **would not** be able to provide. Be very specific to those that are applicable.
8. Please expound upon your organization's philosophy and approach to customer support and how, if you are the firm of choice, your integration of the Borough's non-uniform and police pensions will occur into your support network.
9. Please describe anything that characterizes your proposed platform as being unique and why/how you feel it fits the requirements of the Borough.
10. Please disclose if your organization, any employees, subcontractor, advisory company, subsidiary or other third party provider has:
  - (A) Been involved in any contrary criminal, regulatory, civil, or governmental action against a principal or corporate officer within the past ten (10) years.
  - (B) Been under investigation of identical terms within the past ten (10) years – If the answer is yes, then please provide the result or the action or investigation. Additionally, please provide information as to whether or not there is any reason to believe that there will be any ongoing future investigation in the next twelve (12) month period.
  - (C) Is part of a holding company of a lobbying firm or other business entity owned in part or wholly by a lobbying organization.
  - (D) Is an organization acknowledged by the Internal Revenue Service ( IRS ) as tax-exempt under section 501 ( c ) of the Internal Revenue Code of 1986 ( Public Law 99-514, 26 U.S.C. 501 © established by a lobbyist or lobbying firm or an affiliated entity.
  - (E) Please confirm that no member of your organization has been employed by the Borough of Phoenixville within the past twelve (12) months.
  - (F) Please list any "gift", which includes, but is not limited to, travel, lodging, discounts, vehicles, a monetary exchange, services, or any other item of value, that has been provided to an official ( elected or non-elected), an employee or any other representative of the Borough of Phoenixville or a fiduciary of its pension plans.
  - (G) Please provide a description of your firms' familiarity and experience with Pennsylvania's Act 44, Act 205 and Act 600. Be very clear and descriptive with each of these.

11. Please provide information regarding your organization’s Errors and Omission Insurance and Commercial General Liability Insurance, delineating specific coverage.
12. Please provide a description of your organization’s Internal Auditing and Review procedures. Is there a provision to provide information from these reports to your clients?
13. Please speak to your organization’s experience managing PA municipal pensions with regard to the approach in monitoring and managing regulatory modifications enacted by State and Federal Governmental Agencies and the manner in which you ensure compliancy as it relates to your clients. In addition, please render your organizations methodology regarding the treatment of adverse audit findings should they occur.
14. Please discuss what reviews or audits that are conducted by your organization for a new client and include any fees that are incurred for this service.
15. Please include a sample of an Annual Summary Statement or Annual Plan Statement signifying transactions that are included within the plan. This must be identical to what would be provided to the Borough if your organization is the one chosen.
16. Provide a detailed description of the allocation mix and asset classes that your organization would recommend if selected. In your answer, include why your organizations approach to asset management is best suited to meet the Borough’s requirements. Additionally, provide information as to how often a review of the portfolio occurs.
17. Based on the response to question # 16, please provide the annualized Net Rate of Return for a combination of accounts managed by your organization, with the identical asset allocation mix as proposed in question # 16 – use timeframes as indicated within the chart provided.

<b>TIMEFRAME</b>	<b>Net Rate of Return %*</b>
Year Ended 2015	
3 Years ( through 2015)	
5 Years ( through 2015)	

\*Net of all fees

18. Based on your response to question # 17, please provide the net rates of return and the benchmark net return for the past ten (10) years. Please insert a table for this data.
19. Is the MMO a factor in the determination of your investment strategy? If so, please expound on how.
20. What is your firm’s stance / approach to portfolio rebalancing?

21. Please note that it is imperative that the rates of return provided in previous responses mirror the make-up of the proposed structure for comparative sake. If this is true, then no additional explanation is needed. If not, then please denote the reason as to the differential.
22. Please disclose whether your organization intends on providing investment services via a structured or multi-employer trust. If so, then provide an overview of the trust's structure, how investment managers are selected, who is the responsible party for the selection of the investment manager, who is responsible for investment advising and allocation selection.
23. Please provide the timing and distribution of investment performance reports. Moreover, disclose what types of reports can be expected, how they would be presented and the frequency. Is the expense for these included as a part of the general services or are they billed under separate cover? If separate, then please disclose what the fee is. Please provide a sample Summary of a recent report (Please limit this to 5 or 6 pages).
24. Provide a complete list of services that will be provided by your organization-investment/banking/custodial/administrative. Disclose, after each section, any fees associated with each service and provide a description as to how the fees are calculated. Provide an explanation as to how the fees are billed or paid by the plan. Denote whether the fees are presented in the Annual Summary Statement or Annual Plan Statement. If no, then indicate why they are not disclosed and where and how they are disclosed.  
  
\*\*\*\*\*YOU MUST DISCLOSE ALL FEES ASSOCIATED WITH ANY INVESTMENT PROVIDED TO THE BOROUGH. FAILURE TO DO SO WILL RESULT IN IMMEDIATE DISQUALIFICATION.
25. Please disclose any additional services provided by your organization but not disclosed within this RFP. Include any fees associated with these services.
26. Is there any requirement as to the length of contract for a client?
27. Would periodic meetings be conducted with the Borough's Pension Committee and/or Borough Manager or Council to discuss investment matters, expenses, actuarial items, administrative matters, etc.? Are there additional fees associated with the meetings? If so, what are the fees and how are they calculated.

## **BIDDER'S ETHICS AND COLLUSION**

**Collusive Bidding:** If an organization submits more than one proposal or if two or more organizations converse and consent to fix their respective proposals in such a manner as to be awarded the contract, the organization(s) shall be disqualified from further consideration, and shall be subject to any applicable penalties under the law.

**Bribery:** Any organization that attempts to influence a Customer official to award this contract to such bidder's organization by any such means ( i.e. gratuity, gift, or any other such coercion) in exchange for an assurance to award the contract to the organization shall be disqualified from further consideration and shall be subject to any applicable penalties under the law.

**Conflict of Interest:** Any organization that knows of any Customer official having a material direct or indirect financial interest in such bidder's organization shall be required to submit a written statement, along with the Form of Proposal, detailing such interest. Failure to disclose a known such financial interest shall result in the organization's disqualification from further consideration of award.

The Borough of Phoenixville will review and evaluate all proposals, summarize all data and reserves the right to schedule a meeting with the contending firms. The organizations employees who will directly work with respective Customer employees must be in attendance. Borough employees will include the Borough Manager, the Human Resources Director, members of the Pension Committee and/or various members of Borough Council.

**ATTACHMENT A  
DATA SUBMISSION DOCUMENT**

Please note that information regarding the financial statements of the Borough can be found on the website at Phoenixville.org.

- Proposals, including any / all attachments, cover letter and any tabs should not be in excess of ten (10) pages in length on 8 ½" x 11" paper, single spaced using a minimum font size of 12 point. Please do not provide any marketing materials with the submission.
- Proposals shall be scanned as a PDF file and submitted in electronic format via e mail to the email address listed below. Faxed proposals will not be accepted.
- One (1) original hard copy of the proposal must be submitted.
- The Electronic Proposal must be received by 12: 00 Noon, EST, on Tuesday, January 24, 2017

**THIS PROPOSAL, MUST BE RECEIVED IN THE  
The Borough of Phoenixville, 12:00, Noon, Tuesday,  
January 24 ,2017**

**TO THE ATTENTION OF:**

Monica Koza-Lubinsky  
Finance Director  
351 Bridge Street – 2<sup>nd</sup> Floor  
Phoenixville, PA 19460



**NAME OF ORGANIZATION:** \_\_\_\_\_

**CONTACT PERSON:** \_\_\_\_\_

**STREET ADDRESS:** \_\_\_\_\_

**CITY/STATE/ZIP:** \_\_\_\_\_

**TELEPHONE NUMBER:** \_\_\_\_\_

**FAX NUMBER:** \_\_\_\_\_

**EMAIL ADDRESS:** \_\_\_\_\_