

West Earl Township
Lancaster County, Pennsylvania

**REQUEST FOR PROPOSALS FOR INVESTMENT
ADVISORY, CUSTODIAL, AND RECORDKEEPING
SERVICES FOR THE WEST EARL TOWNSHIP
NONUNIFORMED EMPLOYEE PENSION PLAN**

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1. **INTRODUCTION:** West Earl Township (the “Township”) is a community located in Lancaster County, Pennsylvania with a population of 7,868. The Township has a current need for contracted investment advisory services. The contractor will provide a full range of investment advisory, custodial and recordkeeping services for the Township’s defined benefit Nonuniformed Employee Pension Plan (the “Pension Plan”). The Pension Plan has net assets held in trust for pension benefits in the approximate amount of \$1,269,594. The membership in the Pension Plan consisted (as of the date of the issuance of this RFP) of ten (10) active employees and two (2) retirees currently receiving benefits.

2. **PROPOSAL INSTRUCTIONS:** All Applicants submitting proposals to provide services to the Township pursuant to this RFP must carefully read the RFP in full and submit a proposal that allows the Township to evaluate the Applicants based on the criteria set forth in Paragraph 5 of this RFP. Each proposal must answer in full the questions contained within this RFP, submit materials requested by this RFP and/or necessary to show compliance with the requirements of the RFP, and return the Act 44 Disclosure Policy attached hereto as Appendix “A” answered in full. Each Applicant is also responsible for reading the Township’s Policies and Procedures for the Procurement of Professional Services in Compliance with Act 44 of 2009 (“Policies and Procedures”), a copy of which is attached to this RFP for your reference as Appendix “B”. By your submission of a proposal, each Applicant is certifying that he/she/it has read and is in agreement with all of the terms of this RFP and the Township’s Policies and Procedures.

3. **SCOPE OF INVESTMENT ADVISORY, CUSTODIAL AND RECORDKEEPING SERVICES**
The **TOWNSHIP** will be contracting for services that will include, but not be limited to, the following:
 - a) Work with the Board of Supervisors and the Pension Advisory Committee to manage the investment process of the Pension Plan by developing an investment policy that can be adopted by the Board.
 - b) Provide custodial services for the investments of the Pension Plan.
 - c) Provide an on-going analysis to the Pension Advisory Committee of asset allocations and performance of the Pension Plan and recommend changes when needed.
 - d) Provide monthly, quarterly and annual financial statements and reports to staff for accounting and monitoring purposes of the Pension Plan. This may be accomplished via electronic service instead of actual hard copy reports.
 - e) Attend an annual meeting with the Pension Advisory Committee to review the investment performance and asset allocations of the Pension Plan.

4. MINIMUM QUALIFICATIONS:

All Applicants must submit information demonstrating that they meet the following minimum qualifications:

- a) The Applicant must have reported its past performance numbers to a third party such as Morningstar so that the Applicant's performance can be independently verified by the Township's Pension Advisory Committee as defined below in the Selection Process;
- b) Ten or more Pennsylvania municipal defined benefit pension plan clients under contract for pension services;
- c) \$100 Million or more in Pennsylvania municipal pension plan client assets under direct management;
- d) The Applicant will follow the fiduciary standard and act at all times in the best interest of the Pension Plan.

5. KEY CONSIDERATIONS/PROCEDURES

REVIEW CRITERIA

Only submissions from Applicants that meet the Minimum Qualifications set forth above will be considered for review. The contract will be awarded to the Applicant that demonstrates it possesses the qualifications, experience and expertise required by the Township based on consideration of factors including, but not limited to, the following:

- a) The Applicant's organizational background and resources;
- b) Sufficiency of insurance coverage;
- c) The Applicant's qualifications, experience, and expertise related to Pennsylvania municipal pensions;
- d) The Applicant's approach to managing risk and research capabilities;
- e) The Applicant's knowledge of Act 205;
- f) The quoted fee(s) associated with the desired service(s) sought;
- g) The Applicant's availability to meet with the Board of Supervisors (or Pension Advisory Committee) for periodic review;
- h) The response of the references provided by the Applicant; and

- i) The ultimate confidence that the Applicant is able to meet the Township's goals.

SELECTION PROCESS

The evaluation process will involve several steps. The review team will consist of the West Earl Township Pension Advisory Committee and Board of Supervisors. The Pension Advisory Committee will review proposals, analyze them based on the criteria, determine a list of finalists, interview finalists if applicable and make a recommendation to the Board of Supervisors, who will then select the Applicant to be awarded a contract. Applicant proposals will not be available for review by anyone other than the Pension Advisory Committee or the Board of Supervisors or their designated agents. There shall be no disclosure of any Applicant's information to a competing Applicant prior to award of the contract.

PROPOSAL FORMAT AND DUE DATE

Electronic proposals via email or five (5) hard copies must be submitted and received no later than **4 P.M.**, on **Friday, August 18th, 2017**. Proposals should include the completions of the Questions for Applicant and the Act 44 Disclosure Form attached as Appendix "A" to the RFP. Proposals should also include resumes of the individuals that will be assigned to the Township and a listing of the Applicant's firm's municipal clients. Hard copy proposals shall be transmitted to:

West Earl Township
Pension Advisory Committee
Attn: Candie L. Johnson, Township Manager
PO Box 787
157 W. Metzler Road
Brownstown, PA 17508

Email submissions shall be transmitted to cjohnson@westearltwp.org

6. CONTRACT

The object of the proposal is to procure a provider to carry out the investment advisory and management services stated in section 2 under a contract for professional services. The contract will be designed to provide high-quality services to West Earl Township by the most economical means. At a minimum, the investment advisory, custodial and recordkeeping services described in section 2 are included in the scope of the contract.

7. RESTRICTION ON COMMUNICATIONS

Applicants may not communicate with any officer or employee of the Township prior to the award of a contract in accordance with Act 44 of 2009, except to seek clarification regarding the information in this RFP or the requirements of a proposal, or to answer questions of the Township seeking clarification. All questions shall be in writing and be

directed only to the Point of Contact, Candie Johnson, at the address above, or by fax to (717) 859-3499 or email at cjohnson@westearltwp.org. Questions must be received by **10:00 am, on Thursday August 10, 2017**. All questions and answers, if answers can be provided, will be distributed to all RFP recipients prior to the submission deadline. It is the responsibility of each Applicant who is interested in receiving answers to questions to notify the Point of Contact by email and to provide the name and contact information of the individual to receive such communications.

8. DISCLOSURE STATEMENT

All Applicants must attach to their proposals a completed Disclosure Statement using the form attached hereto as Appendix "A" establishing your compliance with the Township's Policies and Procedures for the Procurement of Professional Services in Compliance with Act 44 of 2009. If the responses on the Disclosure Form reveal that there are any conflicts of interest, the application will be disqualified from consideration. If you are selected to perform professional services for the Township, you must complete and return a Disclosure Form on or before December 1 of each year in which the contract is in effect.

9. ADDITIONAL TERMS AND CONDITIONS

- a) This RFP is in no way to be construed as a solicitation for competitive bid for services subject to the procurement provisions of the Second Class Township Code. This is a request for professional services.
- b) The Township reserves the right to reject in whole or in part any or all proposals, to waive any informalities and to accept the proposal of the person determined by the Township to be most qualified to provide the services the Township seeks. This solicitation may also be cancelled in whole or part if determined to be in the best interest of the Township.
- c) All proposals, responses, inquiries, or correspondence relating to or in reference to this RFP, and all reports, charts, displays, schedules, exhibits, and other documentation submitted shall become the property of the Township when received and are subject to public disclosure to the extent required by Act 44. Any restrictions on the use of data contained in the proposal which you consider to be proprietary information or other information protected by law must be clearly identified in the proposal itself. In the event the Township disagrees with your designation of any material in the proposal as proprietary or otherwise protected by law, the Township will bring the disagreement to your attention before disclosing the information to the public. Unresolved differences of opinion as to what is and is not confidential information may be grounds for rejecting your proposal.
- d) All costs incurred in the preparation and/or presentation of the proposal shall be the responsibility of the Applicant.

10. QUESTIONS FOR APPLICANT

1. Provide any information necessary to demonstrate that you meet the minimum qualifications set forth in Part 4 of this RFP.
2. Provide a statement affirming that you are able to perform the scope of investment advisory services set forth in Paragraph 3 of this RFP and the manner in which you propose to perform such services.
3. What is your firm's investment philosophy?
4. How many other municipal defined benefit plans do you currently manage?
5. How long have you been managing municipal defined benefit plans?
6. Provide actual examples illustrating the performance history of defined benefit plans that you have managed?
7. Do you consider your role as a manager of a municipal defined benefit plan to be that of a plan fiduciary? Explain.
8. Are your performance numbers reported to any third parties such as Morningstar?
9. Provide the name and title of each individual who would be providing professional services to the Township, including the firm's advisors and subcontractors, along with a description of the responsibilities of each individual under the contract.
10. Provide a detailed description of proposed fees and costs for the Township's Nonuniformed Employee Pension Plan. 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, if applicable. If the applicant is submitting a proposal to the Police Pension Plan as well, please provide details of any financial incentives that would apply if applicant is selected to provide services to both plans.
11. Provide a list municipal defined benefit plan references and contact information. (at least three)
12. Provide details of your firm's insurance coverage for commercial general liability, errors and omissions, and any other insurance coverage that may be relevant to the proposed services and provide a copy of the firm's certificate of insurance indicating such coverage.