

# **Ferguson Township**

## ***Request for Proposal***

### **Independent Fiduciary Consulting Services for Defined Contribution Pension Plan**

#### **Purpose**

The purpose of this Request for Proposal (RFP) is to procure professional consulting services to assist the Ferguson Township (Township) in fulfilling its fiduciary obligations for oversight and governance of the assets within its Non-Uniform Employees Defined Contribution Pension Plan (Plan).

#### **Background**

The Ferguson Township is a Home Rule Municipality with a current population estimated to be 19,000 centrally located in Pennsylvania near Penn State University. The Township maintains a Non-Uniform Defined Contribution Plan that is funded in accordance with applicable laws, rules, and regulations. A Non-Uniformed Pension Advisory Committee has been organized as an advisory body that assists Township Board in fulfilling their obligations with respect to plan. The Township is now seeking proposals for an independent pension consultant to assist the Township in fulfilling its fiduciary obligations, as more fully described in the Scope of Services. The pension consultant will assist the Township by providing advice and expertise with respect to plan governance and the overall management of the assets of the Plan.

#### **Minimum Requirements**

Firms responding to this RFP should meet the following requirements:

1. The respondent must be an SEC-registered investment advisor or exempt from such registration (Form ADV or disclosure of the nature of the exemption must be submitted);
2. The respondent must have extensive experience in providing pension investment consulting services to the public, specifically related to defined contribution pension plans.

## General Conditions

The scope of Engagement. The Township is requesting proposals to provide professional consulting and advisory services on an annual basis beginning June 1<sup>st</sup>, 2019 and extending for three years. The Township is proposing to execute an annual, fixed fee contract. The Township shall reserve the option of extending the engagement for an additional two-year period.

Submissions of Proposals. Please submit four (4) paper copies and one electronic copy of the proposal by **4:00 p.m., Friday, April 5, 2019**, to:

Eric Endresen, Finance Director  
Ferguson Township  
3147 Research Drive  
State College, PA 16801  
eendresen@twp.ferguson.pa.us

The schedule for this RFP process is as follows:

<b>RFP Released</b>	<b>March 22, 2019</b>
<b>Deadline for submission of proposals</b>	<b>April 12, 2019</b>
<b>Review and Interviews by Selection Committee</b>	<b>April 2019</b>
<b>Consultant Selection</b>	<b>May 2019</b>

Please note these dates are subject to change. All questions regarding the intent or content of this RFP or the proposal process must be directed via e-mail before May 1, 2019 to: **eendresen@twp.ferguson.pa.us**

Addendums. The Township reserves the right to amend the RFP before the due date of responses. If it becomes necessary to revise any part of the RFP, an addendum shall be provided to all offerors who have been sent a copy of this RFP. All offerors shall include acknowledgment of all addenda as part of their proposal. Failure to acknowledge addenda may be grounds for disqualification of the proposal.

Evaluation of Proposals. All proposals submitted in response to the RFP will be evaluated by the Township, with consideration focused toward, but not limited to, the following:

1. Firm's qualifications and experience to provide the required service.
2. Personnel qualifications to provide the required services.

3. Fee for services.
4. Firm's understanding of the Township Plan.
5. Compliance with the terms, conditions and other provisions.
6. Adequacy and completeness of the proposal.

Awards. Awards will be made by the Township consistent with the Purchasing Ordinance and based upon the best potential interest of the Township and the Plan. The Township reserves the right to reject any or all responses, for whatever reason deemed by it to be appropriate, and shall not be obligated to return any material submitted in connection with this request. The Township reserves the right to award a contract to an individual or firm with higher fees if the individual or firm ranks higher after a review of the evaluation criteria detailed above.

### **Scope of Services**

Ferguson Township is searching for a qualified independent pension consultant to assist the Township by providing advice and expertise that will assist the Township in fulfilling its fiduciary obligations to the Plan. Respondents must demonstrate extensive experience and superior capability for providing these services, which are critical to the success of a public pension plan program. The selected consultant will report to the Township Manager, or his designee, and will be expected to attend various meetings when requested, as well as any special Board of Supervisors or Committee meetings dealing with investment topics. **The Township is proposing to execute a 3-year contract.** At the discretion of the Township Manager, and dependent upon the qualifications of the firm selected, the Consultant may provide some or all of the following services.

1. Work with the Township and its appointed representatives to provide the educational training required for the Pension Advisory Committee and plan participants to improve investment decision-making.
2. Assist the Pension Advisory Committee and Township Board to craft an Investment Policy Statement (IPS) applicable to the Township's stated standards and monitor those standards, keeping them consistent with industry standards.
3. Make recommendations on selections and monitoring of investment selections as well as creating policies and procedures for the removal and replacement of investments, if necessary.
4. Assist the Pension Advisory Committee with the creation of an RFP for investment and additional ad hoc services, if it is determined to be in the best interest of Ferguson Township, as well as educate the Pension Advisory

Committee and Township Board on the necessary elements particular to understand and review an RFP for a defined contribution plan.

## **Proposal Questions**

### **A. Organization**

1. Please provide the name of the firm and the name, address, telephone number, and email address of the primary contact.
2. Indicate your office location(s). Provide the number of employees located in each office location and describe the general function(s) of each office.
3. Please describe your firm's history and current ownership structure. Include the year your firm was established and the year you began to provide investment consulting services to public pension clients. List the owners of the firm from largest to smallest percentage ownership. If any near-term changes to the firm's organizational structure are anticipated, please describe.
4. Provide an organization chart of your firm and describe the relationship between the investment consulting group and any other components of the firm.
5. For the year ended December 31, 2018, please list services provided by the firm and the percentage of total income that such services represent. If the firm has an ultimate parent company, please list the percentage of total income that the firm's services represent to the ultimate parent company.
6. Please provide a copy of the firm's most recent Form ADV Parts I and II.

### **B. Personnel and Experience**

7. Provide biographies of personnel to be assigned to the Ferguson Township relationship, including educational qualifications, years of institutional investment experience, years of institutional investment consulting experience, and total years with the firm. Also provide the total number of accounts assigned to each individual and include the name, plan type, length of relationship, and size of each assigned client account.
8. Describe the firm's compensation and incentive arrangements for consultants and other professional staff.
9. Please list the name, title, role, and year of departure for all professional employees serving pension clients who left the firm over the past five years.

10. Please provide the number of institutional clients and assets under advisement the firm has serviced in an all-inclusive, or full-retainer, fee capacity at the end of each of the last five calendar years.
11. For each of the last five calendar years, please provide the name and dollar amount of assets advised for every all-inclusive retainer fee client that terminated their relationship with the firm. Provide the reason for each termination.
12. Please list the number of institutional clients and assets under advisement the firm has serviced on a project basis over the last five years. Please describe the types of projects for which you were retained.
13. Provide references for three current public, defined contribution pension fund clients that have utilized the firm's investment consulting services for at least three years. Include the name of the client, contact person, email address and telephone number. If there are fewer than three, then include all.

### **C. Standards of Conduct**

14. Did pension consulting services produce 100% of the firm's revenue during 2018? If not, provide information regarding differences.
15. Has the firm, its principals or any affiliate ever: (a) been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self regulatory body or organization; (b) been a party to any litigation concerning fiduciary responsibility or other investment related matters; or (c) submitted a claim to your errors & omission, fiduciary liability and/or fidelity bond insurance carrier(s)? If yes to any, please provide details.
16. What products and services does the firm provide, if any, to money managers?
17. Does the firm have a written code of conduct or set of standards for professional behavior? If so, attach a copy and state how are they monitored and enforced.
18. Has the firm adopted the CFA Code of Ethics and Standards of Professional Conduct? If so, how is employee compliance monitored?
19. How does the firm identify and manage conflicts of interest?
20. Within the last five years, has the firm or an officer or principal been involved in litigation or other legal proceedings relating to the firm's investment consulting

assignments? If so, please explain and indicate the current status or disposition.

21. Are there any potential conflicts of interest the firm would have in providing services to the Ferguson Township? If yes, please explain.

#### **D. Disclosures**

1. Prior to entering into a professional services contract, the selected firm shall disclose the names and titles of each individual who will be providing professional services to the Township pension system, including advisors or subcontractors of the firm. The firm will be required to submit annual Act 44 related disclosures, which will include all of the following:
  - a. Whether any employee of the firm is a current or former official or employee of the Township;
  - b. Whether any employee of the firm is a current or former registered Federal or State lobbyist;
  - c. A description of the responsibilities of each employee providing services with the provisions of the contract;
  - d. The resumes of any employees who will be working on the contract with the Township.

#### **E. Conflict of Interest**

1. Standards that apply for a minimum period of one year:
  - a. no former employee of a firm to which a contract has been or could be awarded will be permitted to participate in the review of a proposal or negotiation of a contract between the Township and the firm for pension consulting services;
  - b. no former employee of the Township's pension system can participate in the submission of a proposal or the performance of a contract.
2. The following shall result in disqualification of a firm or individual from participation in the Request for Proposal process:
  - a. if any individual or firm has conveyed a gift having more than nominal value to any Township official or employee of the municipality during the past two years;
  - b. if any individual or firm has made a political contribution to any parties, candidates or current office holders of the Township during the past two years.
3. An individual or firm that enters into a professional services contract with the Township may not have a direct financial, commercial, or business relationship with any official of the Township's pension system or the Township unless the Township consents in writing to the relationship following full disclosure.

4. If an individual or firm that enters into a contract, or has submitted an offer, bid, or proposal in response to an RFP, or otherwise solicited a contract with the Township, or an officer, director, or employee of the Township becomes aware, or reasonably should be aware, of an apparent, potential, or actual conflict of interest, the person or firm shall disclose the conflict and promptly eliminate the conflict.

## **F. Fees**

1. Please provide a Schedule of Fees specifying what your firm would charge for providing the requested services. Please estimate the total number of hours required to provide the requested services on an annual basis.
2. Indicate any additional categories of consulting work not listed in the Scope of Services that would be considered to be “special projects” that would not be included in the fee quoted in response to Question 27. Define specifically how “special projects” would be billed.
3. The contract that is awarded as a result of this solicitation shall not be amended to increase the cost of the contract unless the increase and a written justification for the increase are approved by the Township prior to incurring additional costs under the contract.

## **Proposal Completion and Submission Procedures and Schedule**

Please complete all questions in the order they are presented. Include all questions and question numbers in your responses.

The individual(s) who is (are) authorized to bind the respondent contractually must sign a cover letter on firm letterhead, which will be considered an integral part of the proposal. This cover letter must indicate the signer is so authorized and must indicate the title or position that the signer holds in the respondent’s firm. The letter must contain the following:

1. The respondent’s name, address, telephone, and email address or facsimile number.
2. The respondent’s Federal Employer Identification Number and Corporate Identification Number, if applicable.
3. The name, title or position, telephone number and email address of the individual signing the cover letter.

4. A statement indicating the signature is authorized to bind the respondent contractually.
5. The name, title or position, telephone number and email address of the primary contact and account administrator, if different from the individual signing the cover letter.
6. A statement to the effect that the proposal is a firm and irrevocable offer, good for three years and that the fee quote will remain firm/unchanged for 120 days from the RFP due date.

In addition, the authorized individual must complete and execute a copy of Attachment A.

**ATTACHMENT A**

**MINIMUM QUALIFICATIONS CERTIFICATION**

The respondent hereby certifies that it meets all of the following minimum qualifications. Submit written evidence of how each qualification is met.

The firm is a SEC-registered investment advisor or exempt from such registration (Form ADV or disclosure of the nature of the exemption must be submitted);

Yes \_\_\_\_\_

No \_\_\_\_\_

The respondent must have extensive experience in providing pension consulting services to public, defined benefit pension plans;

Yes \_\_\_\_\_

No \_\_\_\_\_

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name of Firm