

# Request for Proposal – Standard Application

Western Berks Regional Police Department, Wernersville, Pennsylvania

RFP NOTICE NUMBER: 2019-01

## **Applicant Information:**

**Company Name and Address:**

**Company's Primary Point of Contact:**

**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. Additional minor adjustments may be made to facilitate printing and 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 **Western Berks Regional Police Commission** 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: January 2018**

	<b>Plan Assets</b>	<b># of Active Members</b>	<b># of Inactive /vested members</b>	<b># of Retirees</b>
Police Pension Plan	\$818,687	5	0	2

# APPLICATION QUESTIONS:

## PART 1 – QUALIFICATIONS & EXPERIENCE

1. Please provide the names and titles of all individuals who will be providing professional services to the **Western Berks Regional Police Department 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, as well as Administrative Services**. Specifically address their experience with **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-Uniform Pension Plans?
  - d) How many of your PA municipal clients are Defined Contribution Plans?

## PART 2 – SERVICES PROPOSED, FEES, & CUSTOMER SERVICE

**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, separating them by category – investment, advisory,

administrative, and actuarial, as may be applicable. **Then, after each category of services, list the fees associated with those services, and how those fees are calculated – flat fee, asset-based percentage, etc.**

5. Based on your answers to **Question # 4**, complete the **Fee Summary Table** below:

**Western Berks Regional Police Pension Plan**  
All figures based on Plan Assets of: \$818,687

Fee Type (Annual)	Dollar Amount	As a % of Plan Assets
Total Expected Investment Manager or Mutual Fund Fees ( <b>Expense Ratios, 12b-1 fees, etc.</b> )		
Total Expected Investment Advisor /Management Fee (or RIA Fees)		
Total Expected Actuarial Fees ( <b>enter annual or ½ biennial fees as applicable</b> )		
Total Expected Administrative Fees		
Other Fees not included above		
<b>TOTAL OF ALL FEES:</b>	\$	%
Do these fees cover all the services stated in <b>Question # 4</b> – <b>YES or NO?</b> If not, please explain and then detail those additional fees in response to <b>Question #6</b> .		

6. Specify any additional or ancillary services:

- a) Does your firm offer any other services that are not included in question # 4? What are these services and what are the fees associated with these services?
- b) Will there be any fees associated with **initial set-up or asset-transfer?**
- c) Are there any fees that would be levied **should Western Berks Regional Police Department 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 your firm typically contracts for.

## PART 3 – REPORTING & ACCOUNTABILITY

7. In accordance with the requirements of this RFP, your firm must agree to offer periodic meetings with municipal leadership to discuss investment performance and /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.
8. 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. Additionally, describe your firm’s approach to handling adverse audit findings by PA Auditor General’s Office - should they occur.
9. Provide a sample of an Annual Summary of **Assets Statement or Annual Plan Summary Statement**. One that your firm will routinely provide **Western Berks Regional Police Department Pension Plan**, if you are selected. What are the costs for providing this report?
10. Please provide one example of a recent **Investment Summary Report**. One that you will routinely provide **Western Berks Regional Police Department Pension Plan**, if you are selected. What are the costs for providing this report?

## PART 4 – INVESTMENT PERFORMANCE & MANAGEMENT

11. 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.
12. Briefly discuss your firm’s approach to prudent stewardship of the assets of **Western Berks Regional Police Department 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?
13. 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. THEN...describe why you feel your firm’s overall approach to asset management is best suited to meet the needs of the **Western Berks Regional Police Department Pension Plan**.
14. **Past Investment Performance History:**
  - a) **Based on your response to Question # 13**, 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 # 13**. 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 company’s clients, so long as they meet the criteria of the RFP and the allocation closely resembles the one you used to respond to **Question # 13** and you **clearly indicate that, in responding to this question**.

## 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 and the benchmark return* specifically 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										

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