



UPPER MACUNGIE TOWNSHIP

REQUEST FOR PROPOSAL RFP #2021.11.01

**Custodial Pension, Investment and Plan Administrative Services
Upper Macungie Township
Non-Uniform Defined Contribution Retirement Plan**

UPPER MACUNGIE TOWNSHIP
8330 SCHANTZ ROAD
BREINGISVILLE, PA 18031

LEHIGH COUNTY, PENNSYLVANIA

November 17, 2021

Responses Due: December 10, 2021, by 4:00 PM

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Introduction

Upper Macungie Township is a Second-Class Township located in Lehigh County, Pennsylvania. The Township is governed by a duly elected three (3) person Board of Supervisors with currently two defined benefit pension plans: uniform and non-uniform plans. Additionally, a 457 Deferred Compensation Plan is offered to all employees regardless of pension plan affiliation.

It is the intent of the Township to establish a new Non-Uniform Defined Contribution Retirement Plan effective for new employees hired after December 31, 2021.

Upper Macungie Township is soliciting proposals to provide custodial services, including but not limited to providing secure possession, investment placement, reporting and distribution of pension assets, as well as identifying appropriate funds or investment vehicles to offer to participating members of the Non-Uniform Defined Contribution Retirement Plan for a Self-Directed Investment Plan.

Requests for clarification to this RFP may be made only to Robert Ibach, Jr., Township Manager at ribach@uppermac.org.

No communication other than clarification requests may be made to any Township Officials either by the applicant or by a third party. No other questions or forms of communication are authorized between the Township, its Officials or Employees and any Entity Associated with or representing the Applicant or potential Applicant after the RFP Notice Posting Date. This does not preclude the designated municipal point of contact from contacting the Applicant and requesting additional information – by whatever means deemed necessary – to effectively manage the RFP process. The policy shall remain in effect until the entire RFP proceedings have closed. Any breach of this policy, whether intentional or otherwise, will result in the immediate disqualification from the RFP process.

Submission Process

Minimum Requirements –

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

1. 20 or more Pennsylvania municipal clients under contract for pension custodial services;
2. \$15 million or more in Pennsylvania municipal clients assets under direct management;
3. Ability to provide a clearly functional services platform for provision of custodial and benefit services;
4. 10 or more years of experience providing similar pension services to Pennsylvania municipal government entities; and
5. Agree to provide a minimum of ninety (90) day notice if services provided under the RFP shall cease.

Requirements for Responding to the RFP –

In response to this request, please:

1. Describe your history and experience in providing such services to current clients, including Pennsylvania municipal pension plans.
2. Identify the limits, if any, of services provided under your proposed fee, and your fee schedule for other services.
3. Describe with particularity to the nature and frequency of consulting services you will provide.
4. Set forth any facts or factors, not otherwise addressed in this RFP, which you feel are relevant to Upper Macungie Township's selection of professional service providers.
5. Identify other municipal clients for which you have identified investment vehicles for self-directed investment plans in which an employee may choose to invest funds in a finite number of options. Also, describe the process by which you identified such funds/investments.
6. Submit all required disclosures under Act 44 of 2009. Refer to the back of this RFP for guidance.

All interested respondents must complete each section of the enclosed Application and Disclosure Form and one (1) copy to:

Robert Ibach, Jr.
Township Manager
8330 Schantz Road
Breinigsville, PA 18031

Proposals and disclosure forms must be received no later than 4:00 PM on December 10, 2021.

Evaluation Process

The evaluation of responses to this RFP will be conducted by the Township Manager and the Finance Director. They will make a final recommendation to the Board of Supervisors who will pass a resolution appointing/announcing the provider of services.

Prior to doing so, responders may be requested to be interviewed in person at the Township's principal place of business.

Within ten(10) days of the passage of the resolution announcing the provider of services, the Township will inform the unsuccessful candidates in writing.

The criteria to be used shall center upon the responder's qualifications, experience, expertise, proposed fee schedule, depth of personnel who can provide the services required, and the Township's cumulative confidence in the successful responder.

Application

All proposals must follow the order of questions as listed below. You may provide attachments and refer to them.

List your organization's complete name, address, and telephone number. Also, include contact information if Upper Macungie Township has specific questions on your proposal.

Responder's History, Ownership and Organization –

1. Briefly describe the organization, the year it was founded, location of its headquarters and other offices, its ownership structure, and business focus.
2. What is the total asset base and number of municipal pension funds on which you consult?
3. Identify the consultants and key staff who would be involved in serving our account. Provide brief resumes of these individuals.
4. Describe the turnover that your organization has had over the last five years with consultants that provide the requested investment advisory services.
5. Within the last five years has your organization or an officer or principal been involved in any business litigation or other legal proceedings relating to your professional activities? If so, provide an explanation and indicate the status.
6. With in the last ten years, has your organization been terminated by the owner, operator, or other responsible entity from providing custodial or other pension or pension related services due to malfeasance, professional negligence or based upon other allegations involving a failure to properly perform assigned duties, regardless of whether such termination involved subsequent litigation? If so, provide an explanation.
7. Identify three (3) municipal clients for whom you either currently or have performed custodial work in the past twelve (12) months as references. The Township may, as of part of the evaluation process, contact references to discuss services provided by your entity. Part of your response to the RFP, you consented to such contact.

Services –

1. Describe your proposal regarding custodial services. Include a description of how monthly payments and lump sums are issued, including tax withholding and submission, as well as tax reporting to IRS and to retirees. Do you also provide quarterly reporting of disbursements, asset/investment activity, and change in beneficiary status?
2. Will you state in writing that you will act as a fiduciary of our investment program?
3. Confirm your ability to meet with the Township for periodic reviews and to answer operational or other questions.
4. Would you be able to provide the Township with on-line access to its accounts?
5. Describe your knowledge and experience with Act 44.
6. What methods do you use in calculating investment performance and benchmarking of a pension portfolio? How often are performance reports produced and delivered? Include a sample performance evaluation report and/or statement of account.

Fees –

1. Please identify all custodial fees which you propose charging if selected as consultant in response to this RFP. These fees should include both direct and indirect fees, whether paid to you or another entity. Please specify in terms of both dollar amounts and percent of asset fees. Complete the following chart, which includes the fee column (express as both dollar amount and % of assets) and the explanation column, where we are looking for a complete explanation as to how the fee in that category is being calculated.

ANNUAL/ONGOING \$XX		
Portfolios(s)		
DESCRIPTION	FEE	EXPLANATION
Custodian: Direct cost for custodial services	%/ \$	Explain how fee is calculated. Example, annual fee of \$500 plus 0.10% of assets.
Investment Advisory: Direct cost for investment advisory services	%/ \$	Explain how fee is calculated. Example, annual fee of \$500 plus 0.10% of assets.
TOTAL ANNUAL FEES	%/ \$	This represents the total all in fee.
Other Potential Fees:		Explain what the additional fee would be for and the amount. Example \$50 wire fee.

2. Do you receive any direct or indirect compensation from investment product providers?

Miscellaneous –

1. Set forth any facts or factors, not otherwise addressed in this RFP, which you feel are relevant to the selection of the respondent providing investment consulting and custodial services.

Disclosure Form

Definitions for Disclosure Questions

The following definitions apply for answering the questions in this disclosure form:

Affiliated Entity: Any of the following: (1) A subsidiary or holding company of a lobbying firm or other business entity owned in whole or in part by a lobbying firm. (2) An organization recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §501(c)) established by a lobbyist or lobbying firm or an affiliated entity.

Applicant: Any person, company or other entity that receives payments, fees, or any other form of compensation from a municipal pension fund in exchange for rendering professional services for the benefit of the municipal pension fund. The term Applicant shall also include an Affiliated Entity of the Applicant.

Contributions: As defined in section 1621 of the act of June 3, 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code.

Executive Level Employee: An employee of a person or the person's affiliated entity who can affect or influence the outcome of the person's or affiliated entity's actions, policies or decision related to pension and the conduct of business with a municipality or a municipal pension system; or (2) is directly involved in the implementation or development of policies relating to pensions, investments, contracts, or procurement or to the conduct of business with a municipality or a municipal pension system.

Political Committee: As defined in section 1621 of the act of June 3, 1937 (P.L. 1333, No.320), known as the Pennsylvania Election Code.

Professional Services Contract: A contract to which the municipal pension system is a party that is: (1) for the purchase or provision of professional services, including investment services, legal services, real estate services and other consulting services; and (2) not subject to a requirement that the lowest bid be accepted.

List of Municipal Officials

Certain disclosures refer to municipal pension system officials and employees as well as municipal officials and employees. To assist you in preparing your answers, you should consider the following names to be a complete list of pension system and municipal officials and employees. Throughout this Disclosure Form, the below names will be referred to as the List of Municipal Officials.

Municipal Officials

James Brunell – Township Supervisor

Kathy Rader – Township Supervisor

Sean Gill – Township Supervisor

Andrew Schantz – Township Solicitor

Michael Herzog – Eckert Seamans Cherin & Mellott, LLC, Township Pension Solicitor

Robert Ibach, Jr. – Township Manager

Bruce Koller – Finance Director

Kalman Sostarecz, Jr. – Township Secretary & Executive Assistant

Scott Faust, Public Works Director

Michael Sitoski – Chief of Police

Disclosure by Firms Responding to the RFP

1. Provide the names and titles of all individuals who would provide services to Upper Macungie Township including advisors and subcontractors of the Applicant. After each name provide a description of the responsibilities of that person regarding the professional services being provided to the plan.
 - a. List the names of any of the above individuals who are a current or former official or employee of Upper Macungie Township and their position with the Township.
 - b. List the name of any of the above individuals who has been a registered Federal or Pennsylvania State lobbyist and the date of the most recent renewal/registration.
2. Since December 17, 2009, has the Applicant or an Affiliated Entity employed or paid compensation to a third-party intermediary, agent, or lobbyist to communicate with any individual directly or indirectly on the List of Municipal Officials in connection with any transaction or investment involving the Applicant and the Township? This question does not apply to any officer or employee of the Applicant who is acting within the scope of the Applicant's standard professional duties on behalf of the Applicant including the actual provision of legal, accounting, engineering, real estate or other professional advice, services, or assistance pursuant to its professional services contract with the municipal pension system.
 - a. If the answer is yes, please list the name and compensation of such persons or firms.
3. Since December 17, 2009, has any agent, officer, director, or employee of the Applicant solicited a third party to make a political contribution to any municipal official or candidate for municipal office in Upper Macungie Township or to the political party or political action committee of that official or candidate?
 - a. If the answer is yes, please identify; the agent, officer, director, or employee who made the solicitation; the individual or individuals who were solicited; and the municipal officials, candidates, or political committee for whom the solicitation was made.
4. Since December 17, 2009, has the Applicant or an Affiliated Entity made any contributions to a municipal official or candidate for municipal office in Upper Macungie Township?
 - a. If the answer is yes, please identify the recipient, the amount, and the date of the contribution.
5. Does the Application or an Affiliated Entity have a direct financial, commercial, or business relationship with any individual on the List of Municipal Officials?
 - a. With respect to every municipal official for which the answer is yes, identify that individual and provide a detailed written description of that relationship.
6. Since December 17, 2009, has the Applicant or an Affiliated Entity conferred any gift of more than nominal value to any individual on the List of Municipal

Officials? A gift includes money, services, loans, travel, lodging, entertainment, discount, or other thing of value.

- a. With respect to every municipal official for which the answer is yes, identify the recipient, the gift, and the date conferred.
7. Did the Applicant or an Affiliated Entity make political contributions that meet all of the following four criteria: (i) The contribution was made in the last five years; (ii) The contribution was made by an officer, director, executive-level employee or owner of at least five percent (5%) of the Applicant or Affiliated Entity; (iii) The amount of the contribution was at least \$500 in the form of either a single contribution by a person in (ii) or the aggregate of all contributions by all persons in (ii); and (iv) The contribution was made to a candidate for any public office in the Commonwealth or to an individual who holds that office, or to a political committee of a candidate for public office in the Commonwealth or of an individual who holds that office.
- a. If the answer is yes, then the Applicant shall provide the following information: the name and address of the contributor; the contributor's relationship to the Applicant; the name and office or position of each recipient; the amount of the contribution; and the date of the contribution.
8. With respect to your provision of professional services to Upper Macungie Township, are you aware of any apparent, potential, or actual conflict of interest with respect to any officer, director or employee of the Applicant and officials or employees of the Applicant and officials or employees of the Township?
- a. If the answer is yes, please provide a detailed written explanation of the circumstances which you believe provide a basis to conclude that an apparent, potential, or actual conflict of interest may exist.
9. Please provide the name(s) and position(s) of the person(s) completing this Form. One of the individuals identified by the Applicant in Paragraph 1, page 8 must participate in completing this Form and must sign the below verification.

Name: _____

Title: _____

Date: _____

Verification

I, _____(name) hereby state that I am _____(title)

for the _____ (Applicant's Firm), and I am authorized to make this verification.

I hereby, verify that the facts set forth in the foregoing Disclosure Form are true and correct to the best of knowledge, information, and belief.

I also, understand that knowingly making material misstatements or omissions in this RFP could subject the responding applicant to the penalties in Section 705-A€ of Act 44 of 2009.

I further, understand that false statements herein are made subject to the penalties of 18 P.A.C.S. §4904 relating to unsworn falsification to authorities.

Signature

Date