

## INTRODUCTION

Mount Penn Borough ("Borough") invites proposals for investment consulting, custodial and administrative services for its Pension Plan.

The Borough is seeking a service provider for its Pension Plan. We will employ the enclosed evaluation process and will require evidence that the applicant has a history of providing a complete package of services and/or such elements of the total package as the applicant proposes to provide.

In responding to this request, please:

1. Identify and describe the specific professional services with respect to which you are proposing.
2. Describe your history and experience in providing such services.
3. Identify the limits, if any, of services provided under your proposed fee, and your fee schedule for other services.
4. Describe with particularity the nature and frequency of consultative services you will provide.
5. State whether your services include the providing of IRS qualified documents for governmental plans; and any additional cost associated with such documents.
6. Set forth any facts or factors, not otherwise addressed in this RFP, which you feel are relevant to the Trustees' selection of professional service providers.

All interested respondents must complete each section of the enclosed application and disclosure forms and forward five (5) copies of each to the address provided below to the attention of Thomas Staron, President of the Borough Council and one (1) copy electronically to [mtpennborough@comcast.net](mailto:mtpennborough@comcast.net).

Mount Penn Borough  
Attn: Thomas Staron  
200 N. 25<sup>th</sup> Street  
Reading, PA 19606

The deadline for receipt of the application and disclosure forms is Wednesday, March 20, 2019 at 12:00 Noon.

Each application must be accompanied by all disclosures required by Pennsylvania Act 44 of 2009.

Requests for technical clarification to this RFP may only be made to the Claudia Hurwitz, Borough Council Member ([mtpennborough@comcast.net](mailto:mtpennborough@comcast.net)). Questions about this RFP must be submitted in writing by email or mail no later than Friday, March 8, 2019 containing a subject line of "Pension RFP Inquiry". No communication other than technical clarification requests may be made to any Borough official either by the applicant or by a third party.

Following the award of a professional services contract, all applications and Disclosure Forms shall be made public, except for proprietary information or other information protected by law.

## EVALUATION PROCESS

The evaluation of responses to this RFP and final decision will be conducted by the Council of the Borough of Mount Penn ("Borough Council"). The Borough Council may appoint a committee to conduct preliminary evaluations and to recommend one or more finalists for further review and investigation.

The evaluation can take place in two (2) phases. Phase one will involve review of written proposals. Phase two (if deemed necessary) will involve interviews of selected candidates with the Borough Council who will make the final selection. The Borough Council may also elect to have an appointed committee review the written proposals, conduct the interviews, and make a recommendation to the Borough Council.

The relevant factors that bear upon the Borough Council's decision will be summarized in a written statement to be included in the documents of award. Within ten (10) days after the award, the approved application, a summary of the basis for the award, and all required disclosure forms will be transmitted to all unsuccessful applicants and posted at least seven (7) days prior to the execution of the document.

The criteria to be used during the evaluation shall center upon the applicant's qualifications, experience, expertise, proposed fee schedule, the Borough Council's prior experience with and knowledge of the applicant, and the Borough Council's cumulative confidence in the successful applicant. The evaluation process shall include, but not be limited to, consideration of the applicant's:

- qualifications, experience and expertise related to Pennsylvania municipal pensions and approach to managing risk and research capabilities;
- commitment to assisting the Borough in providing service to it and its participating employees.
- ability to provide continuing educational services
- ability to act as a fiduciary to the Borough's program
- knowledge of Act 205, Act 600, & Act 44
- ability to coordinate custodial services
- ability and commitment to provide administrative services
- ability to provide investment and other consultative services to the Borough and participating employees

- the quoted fee and a description of rates and services which would fall outside of and be in addition to the quoted fee
- availability and willingness to attend meetings
- accurate and full disclosure of all items required by the letter and spirit of Act 44, including disclosure of all fund expense and revenue sharing arrangements associated with pension funds
- prior experience in dealings with the Borough
- references provided by the applicant and those references' responses
- impact on the ultimate confidence of the Borough of the applicant's ability to meet the Borough's goals and address the Borough's concerns
- ability to prepare retirees' 1099-Rs
- ability to produce annual financial statements in addition to monthly statements

### MISCELLANEOUS PROVISION

The Borough reserves the right to cancel this RFP at any time and to reject any and all proposals submitted in response to this RFP, if the Borough determines such action or actions to be in the best interest of the membership of the pension plans as permitted by law.

The Borough also reserves the right to request clarification of any submission, modify or alter the scope of services and solicit new submissions, reject any or all submissions, and wave immaterial irregularities as permitted by law.

## APPLICATION FORM

### A. Narrative Response to RFP

### B. Applicant's history, ownership and organization

1. List your organization's complete name, address, telephone and fax numbers. Briefly describe the organization, the year it was founded, location of its headquarters and other offices, its ownership structure and affiliation with other companies.

2. Provide a brief history of your organization and affiliated entities, if any.

- a. What is the total asset base of the municipal pension funds on which you consult?
- b. How many plans do you provide administrative services for? Consultative services? Custodial services?

- c. Describe your organization's level of experience and knowledge of the particular elements of the Borough's pension program.
  - d. Describe your level of experience in advising municipal authorities on defined contribution and defined benefit programs.
3. Describe the range of activities of your organization and any affiliated entities.
4. Within the last five (5) 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 current status or disposition.
5. Identify the consultants and other key staff who would be involved in serving our account. Provide resumes for these individuals.

C. Services.

1. Describe your proposal regarding custodial services

2. Describe your proposal regarding investment services

3. Describe your proposal regarding administrative and consultative services

D. Fees

1. Please provide a fee proposal for the services outlined in this request. Itemize separate charges for separate services where appropriate.

2. Provide an hourly fee schedule for any additional services not included in the basic scope of services.









5. Timely updates on any changing legislation and regulations that are relevant to the administration of the pension plans.
6. Copies of all files, correspondence, and records, at no cost to the Borough, within thirty (30) days upon termination of services.
7. Consultative and participant communication services as needed.
8. Plan documents (457, 401a, etc.) as required along with restatements as required.
9. Preparation of retirees' 1099-Rs
10. Preparation of monthly and annual financial statements.

**ACT 44 DISCLOSURE FORM FOR ENTITIES PROVIDING  
PROFESSIONAL SERVICES TO THE  
BOROUGH OF MOUNT PENN PENSION SYSTEM**

CHAPTER 7-A OF ACT 44 OF 2009 MANDATES the annual disclosure of certain information by every entity (hereinafter "Contractor") which is a party to a professional services contract with one or more of the pension funds of the above municipality (hereinafter the "Requesting Municipality"). Act 44 disclosure requirements apply to Contractors who provide professional pension services and receive payment of any kind from the Requesting Municipality's pension fund. The Company believes we fall under the requirements of Act 44 and therefore, we are submitting the attached disclosure form.

**RETURN COMPLETED  
DISCLOSURE TO:**

**Mount Penn Borough  
200 North 25<sup>th</sup> Street  
Reading, PA 19606  
Telephone: (610) 779-5151  
Email: mtpennborough@comcast.net**

**REQUIRED UPDATES:**

Where noted, information in this form must be updated in writing as changes occur.

**DEFINITIONS FOR DISCLOSURE**

| <b>TERM:</b>                          | <b>DEFINITION:</b>  |
|---------------------------------------|---|
| <b>CONTRACTOR</b>                     | 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.   |
| <b>SUBCONTRACTOR OR ADVISOR</b>       | Anyone who is paid a fee or receives compensation from a municipal pension system – directly or indirectly from or through a contractor.  |
| <b>AFFILIATED ENTITY</b>              | Any of the following:<br><ol style="list-style-type: none"> <li>1. A subsidiary or holding company of a lobbying firm or other business entity owned in whole or in part by a lobbying firm.</li> <li>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.</li> </ol>   |
| <b>CONTRIBUTIONS</b>                  | As defined in section 1621 of the act of June 3 <sup>rd</sup> , 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code  |
| <b>POLITICAL COMMITTEE</b>            | As defined in section 1621 of the act of June 3 <sup>rd</sup> , 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code  |
| <b>EXECUTIVE LEVEL EMPLOYEE</b>       | <b>Any employee or person or the person’s affiliated entity who:</b><br><ol style="list-style-type: none"> <li>1. Can affect or influence the outcome of the person’s or affiliated entity’s actions, policies, or decisions relating to pensions and the conduct of business with a municipality or a municipal pension system; or</li> <li>2. Is directly involved in the implementation or development policies relating to pensions, investments, contracts or procurement or the conduct of business with a municipality or municipal pension system.</li> </ol> |
| <b>MUNICIPAL PENSION SYSTEM</b>       | Any qualifying pension plan, under Pennsylvania state law, for any municipality within the Commonwealth of Pennsylvania; includes the Pennsylvania Municipal Retirement System.   |
| <b>PROFESSIONAL SERVICES CONTRACT</b> | A contract to which the municipal pension system is a party that is: (1) for the purchase 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.   |

**IDENTIFICATION OF CONTRACTORS & RELATED PERSONNEL**

**CONTRACTORS:** (See "Definitions" - page 2) Any entity that currently provides service(s) by means of a Professional Services Contract to the Municipal Pension System of the Requesting Municipality, please complete all of the following:

**Identify the Municipal Pension plan(s) for which you are providing information:**

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1. Please provide the names and titles of all individuals providing professional services to the Requesting Municipality's pension plan(s) identified above. Also include the names and titles of any advisors and subcontractors of the Contractor, identifying them as such. After each name provide a description of the responsibilities of that person with regard to the professional services being provided to each designated pension plan.
  
2. Please list the name and title of any *Affiliated Entity* and their *Executive-level Employee(s)* that require disclosure; after each name, include a brief description of their duties. (See: Definitions)
  
3. Are any of the individuals named in Item 1 or Item 2 above, a current or former official or employee of the Requesting Municipality? IF "YES", provide the name and of the person employed, their position with the municipality, and dates of employment.
  
4. Are any of the individuals named in Item 1 or Item 2 above a current or former registered Federal or State lobbyist? IF "YES", provide the name of the individual, specify whether they are a state or federal lobbyist, and the date of their most recent registration /renewal.

**NOTICE:** All information provided for items 1- 4 above must be updated as changes occur.

5. Since December 17<sup>th</sup> 2009, has the *Contractor* or an *Affiliated Entity* paid compensation to or employed any third party intermediary, agent, or lobbyist that is to directly or indirectly communicate with an official or employee of the *Municipal Pension System* of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality in connection with any transaction or investment involving the *Contractor* and the *Municipal Pension System* of the Requesting Municipality?

This question does not apply to an officer or employee of the *Contractor* who is acting within the scope of the firm's standard professional duties on behalf of the firm, including the actual provision of legal, accounting, engineering, real estate, or other professional advice, services, or assistance pursuant to the professional services contact with municipality's pension system. IF "YES", identify: (1) whom (the third party intermediary, agent, or lobbyist) was paid the compensation or employed by the *Contractor* or *Affiliated Entity*, (2) their specific duties to directly or indirectly communicate with an official or employee of the *Municipal Pension System* of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality, (3) the official they communicated with, and (4) the dates of this service.

6. Since December 17<sup>th</sup> 2009, has the *Contractor*, or any agent, officer, director or employee of the *Contractor* solicited a contribution to any municipal official or candidate for municipal office in the Requesting Municipality, or to the political party or political action committee of that official or candidate?

IF "YES", identify the agent, officer, director or employee who made the solicitation and the municipal officials, candidates, political party or political committee who were solicited (to whom the solicitation was made).

7. Since December 17<sup>th</sup>, 2009: Has the *Contractor* or an *Affiliated Entity* made any contributions to a municipal official or any candidate for municipal office in the Requesting Municipality?

IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the *Contractor*, the name and office or position of the person receiving the contribution, the date of the contribution, and the amount of the contribution.

8. Does the *Contractor* or an *Affiliated Entity* have any direct financial, commercial or business relationship with any official of the Requesting Municipality?

IF "YES", identify the individual with whom the relationship exists and gives a detailed description of that relationship. A written letter is required from the Requesting Municipality acknowledging the relationship and consenting to its existence. The letter must be attached to this disclosure. Contact the Requesting Municipality to obtain this letter and attach it to this disclosure before submission.

9. Has the *Contractor* or an *Affiliated Entity* given any gifts having more than a nominal value to any official, employee or fiduciary of the Requesting Municipality?



IF "YES", provide the name of the person conferring the gift, the person receiving the gift, the office or position of the person receiving the gift, specify what the gift was, and the date conferred.

10. Disclosure of contributions to any political entity in the Commonwealth of Pennsylvania  
Applicability: A "yes" response is required and full disclosure is required ONLY WHEN ALL of the following applies:
- a) The contribution was made within the last 5 years
  - b) The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the *Contractor* or *Affiliated Entity*.
  - c) The amount of the contribution was at least \$500 and in the form of:
    1. A single contribution by a person in (b) above, OR
    2. The aggregate of all contributions all persons in (b) above;
  - d) The contribution was for:
    1. Any candidate for any public office or any person who holds an office in the Commonwealth of Pennsylvania;
    2. The political committee of a candidate for public office or any person that holds an office in the Commonwealth of Pennsylvania.

IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the *Contractor*, the name and office or position of the person receiving the contribution (or the political entity / party receiving the contribution), the date of the contribution, and the amount of the contribution.

11. With respect to your provision of professional services to the Municipal Pension System of the Requesting Municipality:

Are you aware of any apparent, potential or actual conflicts of interest with respect to any officer, director or employee of the *Contractor* and officials or employees of the Requesting Municipality?

NOTE: If, in the future, you become aware of any apparent, potential, or actual conflict of interest, you are expected to update this Disclosure Form immediately in writing by:

- Providing a brief synopsis of the conflict of interest (and);
- An explanation of the steps taken to address this apparent, potential, or actual conflict of interest.

IF "YES", Provide a detailed explanation of the circumstances which provide you with a basis to conclude that an apparent, potential, or actual conflict of interest may exist.

12. To the extent that you believe that Chapter 7-A of Act 44 of 2009 requires you to disclose any additional information beyond what has been requested above, please provide that information below or on a separate piece of paper.

## **List of Municipal Officials for the Requesting Municipality**

Certain requests for information in this form will refer to a **"List of Municipal Officials."** To assist you in preparing your answers, you should consider the following names to be a complete list of pensions system and municipal officials and employees. Throughout this Disclosure Form, the below names will be referred to as the **"List of Municipal Officials."**

### **Elected Officials**

Thomas Staron, President, Borough Council  
James Cocuzza, Vice President, Borough Council  
Troy Goodman, Member, Borough Council  
Claudia Hurwitz, Member, Borough Council  
Richard Lombardo, Member, Borough Council  
Randall P. Miller, Member, Borough Council  
Roger Reto, Member, Borough Council  
Josh Nowotarski, Borough Mayor

### **Appointed Officials**

Thomas L. Klonis, Esq., Solicitor

### **Chief Pension Administrative Officer:**

Claudia Hurwitz

VERIFICATION

I, \_\_\_\_\_ (*name*), hereby state that I am a \_\_\_\_\_ for the Company and I am authorized to make this verification.

I hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for Entities Providing Professional Services to **Borough of Mount Penn** are true and correct to the best of my knowledge, information and belief. I also understand that knowingly making material misstatements or omissions in this form could subject the responding Contractor to the penalties in Section 705-A(e) of Act 44.

I 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