

REQUEST FOR PROPOSALS
FOR
s. 457(b) DEFINED CONTRIBUTION PENSION
PLAN ADVISER/ADMINISTRATOR



CITY OF YORK

DECEMBER 3, 2019

RESPONSES DUE JANUARY 17, 2020

Contents

OVERVIEW.....	3
PROPOSALS.....	3
TIMETABLE.....	3
SELECTION AND AWARD OF CONTRACT.....	4
I. SERVICE PROPOSAL.....	4
A. FIRM INFORMATION.....	4
Organizational Information.....	4
Assets under Management.....	5
Firm Personnel.....	5
Research.....	5
Governance.....	5
Compliance.....	5
Firm Risk.....	5
Technology.....	5
Firm Reputation.....	6
Third Party Relations, Fee Arrangements, Soft Dollars.....	6
References.....	6
Performance.....	6
Independence & Conflicts of Interest.....	6
B. SERVICE INFORMATION.....	7
Proposed Service.....	7
Fiduciary.....	7
Personnel.....	7
Investment Philosophy and Selection.....	7
Performance Reports.....	8
Proxy Voting.....	8
C. NON-DISCRIMINATION STATEMENT.....	8
D. ANTI-COLLUSION AFFIDAVIT.....	8
E. BUSINESS RELATIONSHIP AFFIDAVIT.....	8
F. PROPOSED ADMINISTRATION AGREEMENT.....	8
G. SIGNATURE OF AUTHORIZED REPRESENTATIVE.....	8
II. SEALED COST PROPOSAL.....	9
PROPOSED FEES AND FEE STRUCTURE.....	9
APPENDIX I: NON-DISCRIMINATION STATEMENT.....	10
APPENDIX II: ANTI-COLLUSION AFFIDAVIT.....	11
APPENDIX III: BUSINESS RELATIONSHIP AFFIDAVIT.....	13

OVERVIEW

The City of York, Pennsylvania (the “City” or “York”), with this Request For Proposals (“RFP”), invites proposals (“Proposals”) from qualified firms (“Responder” or “Firm”) for an Investment Adviser and Administrator (“Adviser” or “Administrator”) of the City’s s. 457(b) Defined Contribution Pension Plan (“Plan”), which serves the City’s Officers, Employees, Police Officers, and Firefighters (collectively, “Employees” or “Beneficiaries”).

Services shall include providing to the City’s Employees, suitable, low-cost investment vehicles and investment advisory services, administering the Plan, providing timely, accurate, and transparent accounting and reports to the City and Beneficiaries, monitoring the Plan, making timely recommendations to and in the best interests of Beneficiaries and the City, and other ancillary services mentioned herein or related hereto.

The Plan currently has assets of approximately \$13,100,000.

PROPOSALS

Proposals shall include a **Service Proposal** and a **separate Sealed Cost Proposal**, and be submitted electronically and with 11 paper copies. Lengthy additions, such as Securities and Exchange Commission (“SEC”) Uniform Application for Investment Adviser Registration and Report by Exempt Reporting Advisers (“Form ADV”), may be submitted in electronic form.

Proposals need not follow the outlined format, but should address all information requested. Additional information may be submitted. Responses and questions shall be submitted to:

Mr. Thomas Ray, Business Administrator
City of York
101 S. George St., P.O. Box 509, York, PA 17401
Email: tray@yorkcity.org

The City reserves its right to amend the RFP requirements and Timetable, to waive non-conformities, and to reject Proposals. Responders are responsible for expenses incurred.

TIMETABLE

QUESTIONS RE RFP DUE	December 20, 2019
RESPONSES TO QUESTIONS POSTED	January 6, 2020 (Week of)
PROPOSALS DUE	January 17 2020
INTERVIEWEES NOTIFIED	February 24, 2020 (Week of)
INTERVIEWS	March 16, 2020 (Two weeks)
NOTIFY SELECTED MANAGER	May 25, 2020 (Week of)
BEGIN MANDATE	July 1, 2020 (Or earlier)

SELECTION AND AWARD OF CONTRACT

Proposals will be evaluated based on information requested and submitted, references, and reasonable due diligence investigation.

In addition, to comply with City Ordinances,¹ and meet the goals of City Ordinance Article 136,² Small and Disadvantaged Business Enterprise Program, which is designed to encourage and support Local and Small business enterprises, Proposals may be awarded preferences as follows (Article 136.04(b)):

- i. Eight points of a possible 100, eight percent (8%), for Local business enterprises;
- ii. Two points of a possible 100, two percent (2%), for businesses located in enterprise zones;
- iii. Four points of a possible 100, four percent (4%), for a Small business enterprise;
- iv. However, in no event shall any bidder receive greater than twelve points of a possible 100, twelve percent (12%), preference.

Local business enterprises and Small businesses enterprise are defined in Article 136.02(d) and (e), and are generally defined as follows: a Local Business Enterprise has its principal office in the City of York, or is majority-owned by and has a majority of employees of City residents (Article 136.02(d)), and a Small business enterprise generally has its principal office and/or a significant percentage of its assets, employees, owners, or sales revenues in the City of York metropolitan area, and, in the case of financial institutions, fewer than 20 employees or annual sales revenues of less than \$6,500,000 (Article 136.02(e)).

I. SERVICE PROPOSAL

Service Proposal shall include Firm Information, Service information, Non-Discrimination Statement, Anti-Collusion Affidavit, Business Relationship Affidavit, proposed draft Investment Administration Agreement, and signature of Authorized Representative. Additional information may be provided.

A. FIRM INFORMATION

Organizational Information

- Firm, related and affiliated entities, organizational, ownership and function chart, and contact information
- Firm classification (SEC-Registered Adviser, etc.) and regulatory bodies
- Firm ownership and history, including ownership changes in last 5 years
- Individual completing the Response: name and contact information

¹ <https://www.yorkcity.org/government/city-council/codified-ordinances/>

² [yorkcity.org/wp-content/uploads/2017/04/Article-136-Small-Disadvantaged-Business-Enterprise-Program.pdf](https://www.yorkcity.org/wp-content/uploads/2017/04/Article-136-Small-Disadvantaged-Business-Enterprise-Program.pdf)

- Authorized Firm representative: contact information and confirmation representative is authorized to represent and bind the Firm and sign Investment Agreement
- Fidelity bond and fiduciary liability insurance
- History of Firm's offering of proposed service

Assets under Management

- Assets under Management: asset value and accounts by account type, e.g., corporate, public, endowment, defined contribution, defined benefit, foundation, union, insurance, high-net-worth individual, sub-advised, separate, commingled, or other
- Representative client list for proposed service
- Changes in last 5 years: accounts, asset type, and percentage of type lost and gained in last 5 years with explanation

Firm Personnel

- Firm size and personnel information, e.g., number of employees, qualifications, average years of experience, average years tenure, and other relevant information, for managers, client service, analysts, traders, compliance, economists, marketing, and other relevant functions
- Turnover in key personnel in last 3 years with explanations

Research

- Overview of research process, methods and style, including any information unique to Firm

Governance

- Firm's internal control and governance structure
- Potential conflicts of interest Firm, affiliates, related parties, and personnel may have or be perceived to have in with this mandate and how such conflicts will be addressed
- Firm's Code of Ethics and Standards of Conduct

Compliance

- Proof that Firm and assigned personnel are licensed and registered to practice in Pennsylvania
- Identity and title of chief compliance officer and to whom she/he reports
- Firm's registration forms provided to regulator(s), e.g. SEC Form ADV Parts 1 and 2, or equivalents
- Most recent regulatory inspection report and follow-ups
- Compliance process including time periods, testing methods, frequency and other relevant information
- Last compliance assessment report
- 5 year history of orders, sanctions, formal investigations, litigation, threatened litigation and administrative proceedings involving Firm, affiliates, or principals

Firm Risk

- Personnel responsible for overall risk management: biography
- Process: how Firm manages, measures, monitors, and controls investment risk
- Succession, Crisis, Disaster Recovery and Business Continuity Plans

Technology

- Technology, software, back-up, and redundancy services used by Firm

Firm Reputation

- Describe client satisfaction measurement process and information, if any. Provide recent client satisfaction report

Third Party Relations, Fee Arrangements, Soft Dollars

- Firm's approach to and use of fee or cost sharing arrangements, soft dollars, brokerage commission recapture, referral, selection, or retention fees, or other arrangements with affiliated or third parties, vendors, suppliers investment managers, broker dealers, or other service providers. Provide details including information re entities, arrangements, revenue significance, conflict and disclosure policy, and impact on proposed service costs

References

- 3 references, preferably from representative client list, with contact information and length of relationship

Performance

- Whether Firm is compliant with CFA Institute Global Investment Performance Standards (GIPS). If Firm is GIPS-compliant, include sample GIPS-compliant report; otherwise, include report of 10 year composite annual performance for the proposed service showing returns gross and net of fees (%), benchmark returns, internal dispersion, number of portfolios, total composite assets, total Firm assets, and any other relevant information
- Benchmarks: benchmark selection process, benchmarks used, and how Firm tracks, monitors, controls, and reports portfolio deviation from benchmarks

Independence & Conflicts of Interest

- Firm must certify that it and any person affiliated with the Firm who is or may be involved with the Proposal, contract execution, and proposed services, have no actual, potential or reasonably perceivable conflict of interest with the City of York or any of its component units, affiliates, elected officials, officers, employees, contractors or sub-contractors, and that any person so affiliated with the Firm has not had an affiliation with the City of York or been a City officer, elected or appointed City official or family member thereof, for a period of two (2) years prior to the RFP Issue Date. Exceptions should be noted. Responders may consult the City Conflict of Interest Policy
- Firm must state that it complies with the Pennsylvania Municipal Pension Plan Funding Standard and Recovery Act, Act 205, Chapter 7-A, as amended ("Act 44"). Firms submitting Proposals should refer to Act; following is only a summary:
 - s. 702-A (d), viz, disclose and provide details regarding whether any individual of the firm to be providing service to the Fund under the proposal, is or was an employee of the City of York or its affiliates, or a registered Federal or State lobbyist
 - s. 702-A (e), viz, that no personnel of the firm was, within 1 year preceding the submission of the proposal, an employee of the City of York pension system
 - s. 703-A (a), viz, state whether any third-party intermediary, agent or lobbyist has communicated, directly or indirectly, with any official or employee of the City of York or its pension system regarding any transaction involving the firm or its affiliates

- s. 704-A (a), viz, that the firm, its affiliates and personnel have made no contribution to any official or candidate for office of the City of York in the 2 years preceding the submission of the proposal
- s. 704-A (b), viz, that the firm, its affiliates and personnel have no direct financial, commercial or business relationship with the City of York, its affiliates, officials or employees, unless the pension system consents in writing to the relationship
- s. 704-A (c), viz, that the firm, its affiliates and personnel have made no gift of more than nominal value to an official, employee or fiduciary of the City of York pension system
- s. 705-A, viz, disclose any single or aggregate contribution of at least \$500 by the firm, its affiliates, officers, directors, executives or owners of greater than 5% of the firm or its affiliates, in the 5 years preceding the submission of the proposal, to any official, candidate for office, or political committee for a candidate for office of the City of York, and provide detailed information regarding any such contributions as required under s. 705-A

B. SERVICE INFORMATION

Proposed Service

- Description of proposed service offering including services to be provided to Employees, Beneficiaries, and City, e.g., communications, options, materials, customer service and availability, tax guidance and information, reports
- Customer service and availability; Employee and Beneficiary education
- History of Firm's provision of this service and experience with employee participation
- Strategies and programs to raise and maintain employee participation
- Whether Firm provides Investment policies and assistance

Fiduciary

- Whether Firm accepts fiduciary role and responsibilities, and proposes to be bound contractually. Provide sample language

Personnel

- Personnel involved in proposed service, including managers, analysts, marketing, client service and other personnel: provide name, title, role, education, biography, years of service with Firm, years of investment experience, regulatory history, and other relevant information

Investment Philosophy and Selection

- Investment philosophy of Firm and proposed service, portfolio construction, portfolio allocation, asset categories, and use of active/passive strategies
- Investment selection, evaluation, monitoring, and termination process: process and criteria for selecting investment managers and investment funds/vehicles, e.g., which companies included or excluded, why, manager turnover history, use of sub-advisers, are managers' trading costs, turnover, allocation policies, execution, portfolio turnover measured and assessed, buy and sell decision process, leverage, derivatives, securities lending strategies, and frequency of evaluation and reevaluation

- Benchmark selection
- Investment manager fee criteria
- Information sources, databases used

Performance Reports

- Describe performance and risk measurement, benchmark tracking and deviation, and compliance monitoring, and show format, frequency, and information included in periodic reports. Provide samples
- Show recommended Defined Contribution (“DC”) plan portfolios, and performance to benchmarks over last 10 year period, with and without fees and costs. Show sample IPS, if available

Proxy Voting

- Describe proxy voting process, policy, or advice to Beneficiaries, if any
- If third-party proxy voting services are used, identity of and contact information for service, process for selection, payments made to service in last 3 years, and source of payment, e.g., direct payment, soft dollars or other form of compensation

C. NON-DISCRIMINATION STATEMENT

- Signed attached Non-Discrimination Statement, Appendix I

D. ANTI-COLLUSION AFFIDAVIT

- Signed and notarized attached Anti-Collusion Affidavit, Appendix II

E. BUSINESS RELATIONSHIP AFFIDAVIT

- Signed and notarized attached Business Relationship Affidavit, Appendix III

F. PROPOSED ADMINISTRATION AGREEMENT

- Proposed draft Investment Administration Agreement. Final agreement to be agreed by City and selected Firm

G. SIGNATURE OF AUTHORIZED REPRESENTATIVE

- Service Proposal signed by authorized representative of Firm certifying information in Service and Sealed Cost Proposals is complete and accurate

II. SEALED COST PROPOSAL

A separate Sealed Cost Proposal shall be signed by an authorized representative and contain the following:

PROPOSED FEES AND FEE STRUCTURE

- Complete fee structure and schedule for proposed service to City, Employees, and Beneficiaries, billing frequency, and payment method
 - All other fees and costs, including recapture, rebates, referral fees, discounts, performance fees, or other forms of compensation accruing to or benefiting the Firm, related entities and employees, directly or indirectly from the Plan assets, or to or from vendors, service providers, or other parties
 - All other fees or costs to City, Employees, or Beneficiaries that may be charged, e.g., custody fees, document fees, annual fees, transfer costs, trading costs, account minimums, minimum annual fees, or additional services, etc.
-

APPENDIX I: NON-DISCRIMINATION STATEMENT

This Statement is submitted by an Authorized Representative of Responder, as a part of this Proposal.

Responder agrees, in connection with the performance of work under this Proposal:

- a. Responder will not discriminate against any employee or applicant for employment because of race, creed, color, sex, age, national origin, ancestry or disability, and shall undertake affirmative action to ensure employees and applicants are treated without regard to such discriminating factors, including actions related to, *inter alia*, employment, promotion, demotion or transfer, recruitment, advertising, lay-off, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Responder agrees to post, in a conspicuous place available to employees and applicants for employment, notices to be provided by the City Clerk/Secretary setting forth the provisions hereof,
- b. Responder will include this non-discrimination clause in any subcontracts connected with the performance of work under this Proposal; and
- c. In the event of Responder’s non-compliance herewith, the awarded contract may be canceled or terminated by the City and the City may declare the Responder and related Firms ineligible for further contracts with the City, until satisfactory proof of compliance is provided by the Responder to the City.

THIS FORM MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF RESPONDER:

Signature of Authorized Representative Title

Note: The owner or an officer of the business or corporation may sign this document. A Corporate Seal or a letter of authorization is needed for any other signer. For instance, if a Salesperson or Manager signs this form, a letter of authorization or Corporate Seal is to be attached.

Printed Name of Individual Title

Company Name and Address Zip Code

Telephone Number, Email, and Fax

APPENDIX II: ANTI-COLLUSION AFFIDAVIT

This Affidavit is submitted by an Authorized Representative of Responder, as a part of this Proposal.

The undersigned, of lawful age and duly sworn, affirms and states that the undersigned has lawful authority to execute the Proposal for and on behalf of the Responder, _____, and that the Responder has not, directly or indirectly, entered into any agreement, express or implied, with any other proposer or proposers, having for its object the controlling of the price or amount of such proposal or proposals, the limiting of proposals or proposers, the parceling or farming out to any proposer or proposers or other persons of any part of the proposal or proposals or of the profits thereof, and that the Responder has not and will not divulge the sealed Proposal to any person whomsoever, except those having a partnership or other financial interest with the Responder in the said Proposal, until after the said sealed proposals are opened.

The undersigned further states that the Responder has not been a party to any collusion among proposers in restraint of freedom of competition by any agreement to propose at a fixed price or to refrain from proposing, or with any City official, employee, or agent as to the quantity, quality, price, or other terms in the Proposal, or concerning the exchange of money or other thing of value for special consideration in the award of a contract, and that it has not paid, given, or donated, or agreed to pay, give, or donate to any City official, employee, agent, or awarding agency, any money or other thing of value, either directly or indirectly, in the procuring of the award of contract pursuant to this Proposal.

THIS FORM MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF RESPONDER:

Signature of Authorized Representative _____ Title _____

Note: The owner or an officer of the business or corporation may sign this document. A Corporate Seal or a letter of authorization is needed for any other signer. For instance, if a Salesperson or Manager signs this form, a letter of authorization or Corporate Seal is to be attached.

Printed Name of Individual _____ Title _____

Company Name and Address _____ Zip Code _____

Telephone Number, Email, and Fax _____

TO BE COMPLETED BY NOTARY:

State of _____

County of _____

This Affidavit signed and sworn to (or affirmed) before me _____ (name)
on _____ (date)
by _____, Authorized Representative
of _____, Responder.

Signature of notarial officer: _____

Title of office: _____

Commission Number: _____

Commission expires: _____

Stamp:

APPENDIX III: BUSINESS RELATIONSHIP AFFIDAVIT

This Affidavit is submitted by an Authorized Representative of Responder, as a part of this Proposal.

The undersigned, of lawful age and duly sworn, affirms and states that the Responder is fully knowledgeable of Responder's business relationships and associations, and further states that the nature of any corporation, company, partnership, joint venture, or other business relationship presently in effect or which existed within one (1) year prior to the date of this statement between Responder and the Mayor, Members of City Council, any Trustee, Trust, or Authority of or benefiting the City, entities or parties affiliated with such individuals, significant known City contractors, or other parties, consultants, or employees engaged to further this project, is as follows:

(If none of the above Business Relationships exists, Responder shall state 'NONE' or otherwise indicate the absence of such Business Relationships. IF ABOVE IS BLANK, PROPOSAL WILL BE REJECTED.)

Responder further states that any such Business Relationship presently in effect or which existed within one (1) year prior to the date of this statement between any officer, agent, employee, partner or director of the Responder and any officer or director, agent, employee, or partner of the above entities or individuals is as follows:

(If none of the above Business Relationships exists, Responder shall state 'NONE' or otherwise indicate the absence of such Business Relationships. IF ABOVE IS BLANK, PROPOSAL WILL BE REJECTED.)

The names and positions of all persons having any such Business Relationships are as follows:

(If none of the above Business Relationships exists, Responder shall state 'NONE' or otherwise indicate the absence of such Business Relationships. IF ABOVE IS BLANK, PROPOSAL WILL BE REJECTED.)

(Proposal will not be considered unless this Affidavit has been fully completed and signed by an Authorized Representative of the Responder and duly notarized and dated by a Notary Public.)

THIS FORM MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF RESPONDER:

Signature of Authorized Representative

Title

Note: The owner or an officer of the business or corporation may sign this document. A Corporate Seal or a letter of authorization is needed for any other signer. For instance, if a Salesperson or Manager signs this form, a letter of authorization or Corporate Seal is to be attached.

Printed Name of Individual Title

Company Name and Address Zip Code

Telephone Number, Email, and Fax

TO BE COMPLETED BY NOTARY:

State of _____

County of _____

This Affidavit signed and sworn to (or affirmed) before me _____ (name)

on _____ (date)

by _____, Authorized Representative

of _____, Responder.

Signature of notarial officer: _____

Title of office: _____

Commission Number: _____

Commission expires: _____

Stamp: