

**Request for Proposal (“RFP”)
for Custodial Pension and Limited Management Services
RFP #2016-04**

Prepared and Issued by South Whitehall Township,
Lehigh County Pennsylvania

for

South Whitehall Township Office Personnel Pension Plan
South Whitehall Township Police Pension Plan
South Whitehall Township Public Works Pension Plan
South Whitehall Township Non-uniformed Employees
Defined Contribution Pension Plan
South Whitehall Township Thrift Savings Plan

Issue Date: June 27, 2016

Renee Bickel, SPHR
Assistant Township Manager
610-398-0401 ext. 205

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South Whitehall Township is a First Class Township located in Lehigh County, Pennsylvania. As a First Class Township, the Township is governed by a duly elected five (5) person Board of Commissioners. With regard to pension issues impacting the Township's employees, the Township has formed a Pension Committee which consists of Township elected and appointed officials, employees and residents. The Township is seeking a service provider for the below-listed pension services. In awarding this services contract to a successful bidder, the Township will employ the enclosed Evaluation Process.

South Whitehall Township sponsors three defined benefit pension plan, a Thrift Savings Plan and a newly created defined contribution plan. The Market Value of the South Whitehall Township Office Personnel Plan as of 2/29/2016 is \$7,967,553.03, the South Whitehall Township Police Pension Fund has a Market Value of \$ 11,679,327.96 and the South Whitehall Township Public Works Pension Plan has a Market Value of \$ 6,544,125.02. The Thrift Savings Plan has a balance of \$5,141,157.37. The defined contribution plan was established on January 1, 2015. Separate custodial accounts and services are required for each of the above plans.

The South Whitehall Township Pension Committee 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 Defined Contribution Plan for a self-directed investment plan. Separate trust funds and custodial accounts are required for each of the above plans. The scope of this RFP also includes any tasks which are reasonably related to the above areas.

Requests for clarification to this RFP may only be made to Renee Bickel, Assistant Township Manager at bickelr@southwhitehall.com.

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—in order to effectively manage the RFP process. This 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.

MINIMUM REQUIREMENTS

Applicants that respond to this RFP ***must be able to meet or to exceed*** the following minimum criteria in order 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 client 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
5. Agree to provide a minimum of ninety (90) days' notice in the event that services provided under this RFP shall cease.

REQUIREMENTS FOR RESPONDING TO THE RFP

In responding 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 the nature and frequency of consultative services you will provide.
4. Set forth any facts or factors, not otherwise addressed in this RFP, which you feel are relevant to South Whitehall 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 investment 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 forward 7 copies of each to:

Renee Bickel, Assistant Township Manager,
4444 Walbert Ave.
Allentown, PA 18104

Proposals and disclosure forms must be received no later than 4:00 PM on July 29, 2016

The evaluation of responses to this RFP will be conducted by the South Whitehall Township Pension Committee. The Pension Committee will make a final recommendation to the Board of Commissioners who will pass a resolution appointing/announcing the provider of services. Prior to doing so, the Pension Committee may or may not request one or more personal interviews of the representatives from responding entities who will be providing services to the Township.

Within 10 days of the passage of the resolution announcing the provider of services the Township will inform the unsuccessful candidates.

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, the Committee's prior experience with and knowledge of the responder, and the Committee's cumulative confidence in the successful responder.

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 in the event that South Whitehall 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. Briefly describe any prior experience with the South Whitehall Township.
4. Identify the consultants and other key staff who would be involved in serving our account. Provide brief resumes of these individuals.
5. Describe the turnover that your organization has had over the last five years with consultants that provide the requested investment advisory services.
6. 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 current status.
7. Within 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 or not such termination involved subsequent litigation? If so, provide an explanation.
8. Jeffrey Myers of Conrad Siegel Actuaries currently serves as the Township's pension actuary. Have you worked with Mr. Meyers or Conrad Siegel actuaries in other municipalities? If yes, where? **NOTE:** *Experience with, or lack thereof, with the Township's current actuary, by itself, will not be a dispositive factor in the award of the contract.*
9. 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 part of the evaluation process, contact references to discuss services provided by your entity. As part of your response to the RFP, you consent to such contact.
10. What is your preferred method of communication with clients for which you provide services similar to those contained in this RFP?

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, change in beneficiary status?

2. Will you state in writing that you will act as a fiduciary of our investment program?
3. Confirm your availability to meet with convened Pension Committee for periodic reviews and to answer operational or other questions.
4. Can you provide the Township with on-line access to its accounts?
5. Describe your knowledge and experience with Act 44 of 2009, Act 600 and Act 205.
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 a consultant in response to this RFP. These fees should include both direct and indirect fees, whether paid to you or to 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.

Also state whether the fees below are based on the combined assets of all plans, or whether each plan is separate with respect to fees charged.

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?

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.

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: (1) 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

Christina Tori Morgan, Township Commissioner

Glenn Block, Township Commissioner, Pension Committee Member

David Bond, Township Commissioner

Thomas Johns, Township Commissioner, Pension Committee Member

Matthew Mulqueen, Township Commissioner

Eckert Seamans Cherin & Mellott, LLC , Township Pension Solicitor

Zator Law Office, Township Solicitor

Howard Kutzler, Township Manager, Pension Committee Member

Renee Bickel, Assistant Township Manager, Pension Committee Member

Lenore Horos, Finance Manager, Pension Committee Member

John Christman, Police Chief, Pension Committee Member

Clair Miller, Resident, Pension Committee Member



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 South Whitehall 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, political party or political committee for whom the solicitation was made.

4. Since December 17, 2009, has the Applicant or an Affiliated Entity made any contribution to a municipal official or candidate for municipal office in South Whitehall 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 it was 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 South Whitehall 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 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 above must participate in completing this Form and must sign the below verification.

Name: _____

Title: _____

Date: _____

VERIFICATION

I, _____, 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 my knowledge, information and belief.

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