

# **EASTTOWN TOWNSHIP**

## **REQUEST FOR QUALIFICATIONS**



### **PENSION INVESTMENT CONSULTANT SERVICES**

**Issue Date: July 8, 2024**

**Response Deadline: August 16, 2024 at Noon**

## **INTRODUCTION**

Easttown Township is located in Devon, Chester County, Pennsylvania. The Township provides municipal and infrastructure services to a vibrant and affluent residential community of approximately 11,000 residents in 8.2 square miles. The Township is governed by an elected five-member Board of Supervisors.

It is understood that the Township reserves the right to reject any or all proposals, or part thereof or items therein, and to waive technicalities or requirements set forth herein if it finds, in its sole discretion, that such waiver is in the best interests of the Township and/or the public. The Township has the right to reject, in its sole discretion, any proposal that fails to include any information or documentation required in this RFP.

It is further understood that by requesting these proposals, this is not a bidding solicitation and nothing contained herein shall create any contractual rights or obligations by and between the Township and any person or entity responding hereto. Regarding proposals for professional services, the Township is not constrained to select the proposal from the lowest responsible bidder, and expressly reserves the right to evaluate proposals on such factors, both objective and subjective, as the Township deems relevant and material in its sole and absolute discretion, without being bound to award the contract solely or even primarily on the basis of cost.

## **SCOPE OF SERVICES**

The purpose of this Request for Proposal (RFP) is to obtain proposals from qualified Firms for the provision of municipal pension fund professional services to The Township of Easttown and its Police and Non-Uniformed Pension Advisory Committee, for the supervision, monitoring, and ongoing evaluation of Pension Plan investments, currently totaling approximately \$17 million in assets (\$12.5 million in the Police Pension Plan and \$4 million in the Non-Uniformed Pension Plan). The questions contained in the RFP will apply to all firms interested in responding with the intent of providing investment consulting services.

## **EVALUATION CRITERIA AND SELECTION PROCESS**

The Board of Supervisors reserves the right to:

1. Select a proposal in its entirety or some portion(s) thereof.
2. Reject any and all proposals, in whole or in part.
3. Waive irregularities.
4. Request oral presentations and/or individual interviews from those individuals or firms determined to be in a competitive range.
5. Make the final selection using criteria judged to be the maximum benefit to the Township as a whole.
6. This proposal solicitation does not commit the Township to enter into any agreement or to pay any costs incurred in the preparation of a Firm's proposal.
7. The selection of a Firm will be determined within the sole and absolute discretion of the Township.
8. The Township reserves the right to reject or disqualify any proposals, in its sole discretion, pursuant to the selection criteria and minimum requirements for a Firm.

## **PROPOSAL SUBMISSION**

Proposal submission shall be made in the following manner:

1. Proposals, including any/all attachments, cover letter and tabs should not exceed ten (10) pages in length on 8 ½ x11 inch paper, single spaced using a minimum font size of 12 point. Do not provide marketing materials.
2. Proposals shall be scanned as a PDF file and submitted in electronic format via email to the below email address. Faxed proposals will **not** be accepted.
3. Proposals are to be submitted to:

Easttown Township  
566 Beaumont Road  
Devon, PA 19333  
Attn: Easttown Pension RFQ  
[JEwald@Easttown.org](mailto:JEwald@Easttown.org)

*Subject line shall be:* Easttown Pension RFQ

4. Proposals must be received by the Township no later than 12:00 p.m. prevailing time on Friday, August 16, 2024. Late proposals will not be considered.
5. Any questions regarding the RFP shall be addressed the Assistant Township Manager, Jonathan Ewald [JEwald@Easttown.org](mailto:JEwald@Easttown.org)
6. Any Addendum will be included on the website along with the original RFP at <https://www.easttown.org>.

#### **SELECTION TIMETABLE**

Selection will be based on proposals submitted and final determination by the Board of Supervisors. It is anticipated that the successful firm will be engaged by the Board of Supervisors at its January 06, 2025 Reorganization Meeting.

## PROPOSAL REQUIREMENTS

### HISTORY AND OWNERSHIP

1. List your firm'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 affiliations with other companies.
2. Provide a brief history of your firm and your parent organization.
  - a. How long has the firm been acting as a financial advisor/performance monitor for municipal pension funds?
  - b. What is the total asset base of the pension funds on which you consult?
  - c. Provide a listing of all governmental or municipal pension funds, including amount of assets, for which the firm currently acts as an advisor.
  - d. Describe your level of experience and familiarity with Pennsylvania's Act 600, which regulates police pensions.
  - e. Describe your level of experience in advising clients on 401, 457 and related IRS-recognized defined contribution programs.
3. Describe your firm's ownership structure, including specific details regarding your parent and any affiliated companies.

### ORGANIZATION

1. Describe the lines(s) of business in your firm, your parent organization and any affiliated companies.
2. Is your firm, its parent or affiliate a registered investment advisory with the SEC under the Investment Advisors Act of 1940?
3. 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 consulting activities? If so provide an explanation and indicate the current status or disposition.
4. If your firm, its parent, or affiliate is a broker/dealer, do you trade for client accounts through this broker/dealer?

### EMPLOYEES

1. Identify the consultants and other key staff who would be involved in serving our account. Provide biographical data on these individuals.
2. Provide biographies of other key individuals in your firm.
3. Do any of your investment consultants have portfolio management or plan sponsor experience? Please give details.
4. Describe your firm's compensation arrangement for professional staff.

### RESEARCH

1. Describe your firm's approach to investment research. Please indicate relationship with researchers/academics outside your firm.

2. Give examples of how your research has been integrated into your products and services.
3. What tools do you use to evaluate managers and the market? Did you develop these tools in-house or purchase them from vendors?
4. Describe the educational opportunities provided to your clients' trustees and staff. Describe the qualifications of presenters at recent workshops.

## **ASSET ALLOCATION & INVESTMENT POLICY**

1. Describe your firms' asset allocation process. Be sure to address the development of investment policies, portfolio structure, and guidelines for investment managers.
2. How does your firm develop asset class assumptions?
3. What is your firm's position on indexing?
4. What is the firm's process for establishing client objectives and developing the Investment Objective Statement?

## **INVESTMENT MANAGER SEARCH**

1. Does your firm maintain an in-house database of investment managers? If not, how do you obtain manager data? How many managers are in the database? What asset classes are covered?
2. Describe how your firm or your vendor gathers, verifies, updates and maintains the data collected on managers for the database.
3. If you have an in-house database, do you sell it to third parties? How do you receive compensation?
4. Do you charge investment managers any direct or indirect fees to be included in your database or when they are successful in manager searches? What are the fees?
5. Describe how you categorize equity managers by style.
6. Describe the due diligence process utilized in the selection of a money manager. Include information about the database utilized to monitor and evaluate investment managers' performance for the purpose of manager selection.
  - a. Is it proprietary or third-party?
  - b. If third-party, who is the vendor?
  - c. Do you receive any director or indirect compensation from investment manager to be included in your database?
  - d. How many investment managers are included in the database?
  - e. How frequently is the investment management information updated?
  - f. What are the sources of data?
7. Comment on the firm's philosophy and any portfolio structure biases in the following areas:
  - a. Active vs. passive management
  - b. Tactical asset allocation vs. strategic allocation

- c. Index and/or utilization of ETF's
  - d. Capitalization (e.g., overweight to mid/small)
  - e. Style (growth tilt, value tilt or neutral)
8. Give an overview of your firm's approach and criteria for placing a manager on a watch list. Under what conditions would the manager be removed from the watch list?

**PERFORMANCE REPORTING**

1. Describe your firm's performance reporting and evaluation services.
2. What methods and sources of data do you use in calculating investment performance of a client's portfolio? Do you comply with AIMR standards for rate calculation? Do you reconcile your calculated performance with investment managers and custodians? Describe this process.
3. How often are performance reports produced and delivered? Include a sample performance evaluation report in the appendix of your response.
  - a. How many business days after the end of a reporting period are the performance reports available?
  - b. Can the reports be customized?
4. Discuss the performance attribution your firm is capable of providing.
5. Describe how benchmarks are chosen or developed. Describe your custom benchmark capabilities.

**CLIENT BASE**

1. Enter number of institutional retainer clients in each category:

<b>DISTRIBUTION BY ASSET SIZE</b>				
Size (Millions)	Corporate Funds	Endowments/ Foundations	Public Pension Funds	Other
0 – 50				
51 – 500				
501 – 1000				
1001 – 5000				
Over 5000				

2. Please provide a current list of clients.
3. Please provide three (3) references

**FEES**

Please provide a fee proposal for the services outlined in this RFP.

1. Explain cost breakdown for:
  - a. Custody
  - b. Money Manager
  - c. Transaction Costs

d. Consulting Fees

2. Are you willing to guarantee your fees for a specific period of time?
3. If your firm accepts soft dollars, please describe how this would impact our fees.

## END OF RFP ##