

**2015**

# REQUEST FOR PROPOSALS 2015-02

## Pension Fund Investment Managers

- Offer advice on the asset allocation;
- Offer suggestions for the creation of and Revising the Investment Policy Statement;
- Construct and maintain a low cost investment portfolio including portfolio monitoring and making investment changes as needed;
- Arrange for custody services and attend quarterly Pension Committee Meetings;
- Employ index strategies (in whole or in part);

Proposal Deadline Date:  
August 06, 2015  
10:00 AM



Brentwood Borough  
3624 Brownsville Road  
Pittsburgh, PA 15227  
(412) 884-1500



**ANNOUNCEMENT**

**JULY 09, 2015**

**REQUEST FOR PROPOSALS (RFP)**

**RFP 2015-02**

**BRENTWOOD BOROUGH PENSION FUND INVESTMENT MANAGERS  
BRENTWOOD, PENNSYLVANIA**

The Borough of Brentwood, Allegheny County, Pennsylvania, is inviting firms to submit a proposal for investment managers for its two pension investment funds. The Police Plan has about \$5.5 million in assets while the Employee Plan has about \$1.8 million. Each Plan is about 82% funded. The main responsibilities of the investment manager will be to offer advice on the asset allocation and revising the Investment Policy Statement. In addition, the investment manager will construct and maintain a low cost investment portfolio including portfolio monitoring and making investment changes as needed. The investment manager will arrange for custody services and will meet with the Pension Committees quarterly to keep them updated on market developments and the portfolio. The Borough will consider active managers. The Borough would also like to encourage managers that employ index strategies (in whole or in part) to respond. Other low cost investment solutions such as a low cost balanced mutual fund as a core holding will also be seriously considered as one objective of the RFP process is to arrive at a low cost fee structure. The Borough would like to use a yearly set fee (not a percentage of assets) to compensate the investment manager. Please indicate the set fee that would be charged by your firm (as well as any other charges of the products your firm would use on behalf of the Borough.)

The provider of the professional services must have at least 5 years of experience in defined benefit business.

Copies of the information relating to submitting a proposal including specific requirements, the organization of the proposal, proposal evaluation criteria, and the proposed contractual agreement are on file and open to public inspection at the office of the Borough of Brentwood, 3624 Brownsville Road, Pittsburgh, PA 15227 where the RFP Packet of said documents may be obtained. Copies may also be downloaded from the Borough's website at [www.brentwoodboro.com](http://www.brentwoodboro.com).

Sealed proposals (one (1) original and ten (10) copies and one (1) electronic version), must be received by The Borough of Brentwood at 3624 Brownsville Road, Pittsburgh, PA 15227 no later than **August 6, 2015, at 10:00 A.M., EDT** and the same will be publicly opened immediately thereafter. If mailed, the proposal should be addressed to: George Zboyovsky, PE, Borough Manager and the envelope sealed and clearly marked as "**Brentwood Borough Pension Fund Investment Manager Proposal**" Any contact for additional information should be made to George Zboyovsky, PE, Borough Manager via email at [gboyovsky@brentwoodboro.com](mailto:gboyovsky@brentwoodboro.com).

The Proposals must be made to Brentwood Borough, Allegheny County, Pennsylvania, and shall remain firm for a period of ninety (90) days.

The Borough of Brentwood reserves the right to accept or reject any or all proposals.

BY: George Zboyovsky, PE  
Borough Manager

Publish:  
July 09, 2015  
July 16, 2015

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**BOROUGH OF BRENTWOOD**

**REQUEST FOR PROPOSALS (RFP)**

**RFP 2015-02**

**PENSION FUND INVESTMENT MANAGERS**

**BRENTWOOD, PENNSYLVANIA**

**REQUEST FOR PROPOSAL**

**July 09, 2015**

**REQUEST FOR PROPOSALS (RFP)  
RFP 2015-02**

**PENSION FUND INVESTMENT MANAGERS  
BRENTWOOD, PENNSYLVANIA  
REQUEST FOR PROPOSAL**

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NOTE: In this document the term "proposer" shall mean the person or firm making a proposal based on this RFP. The term "proposer", "consultant" and the term "firm" is used interchangeably. Also, the term "you" or "your" shall refer to the proposer.

## **SECTION 1. BACKGROUND**

### ***BOROUGH OF BRENTWOOD COMMUNITY VISION STATEMENT***

*The Borough of Brentwood is a unified, family-oriented community with a strong commitment to civic pride and traditions. While preserving these standards, ideals and traditions, the community shall strive to provide a high quality of life for all, a superior educational system and residential areas with a more suburban character. The community shall support established businesses while encouraging future economic development and effective local government, all within a safe and clean environment.*

#### **A. Investment Manager Proposal Overview**

The Borough of Brentwood is looking at investment managers for its two pension investment funds. The main responsibilities of the investment manager will be to offer advice on the asset allocation and revising the Investment Policy Statement. In addition, the investment manager will construct and maintain a low cost investment portfolio including portfolio monitoring and making investment changes as needed. The investment manager will arrange for custody services and will meet with the Pension Committees quarterly to keep them updated on market developments and the portfolio. The Borough will consider active managers. The Borough would also like to encourage managers that employ index strategies (in whole or in part) to respond. Other low cost investment solutions such as a low cost balanced mutual fund as a core holding will also be seriously considered as one objective of the RFP process is to arrive at a low cost fee structure. The Borough would like to use a yearly set fee (not a percentage of assets) to compensate the investment manager. Please indicate the set fee that would be charged by your firm (as well as any other charges of the products your firm would use on behalf of the Borough.)

In comparing proposal submissions, consideration will not be confined to price only. The successful firm will be the one whose services and price are judged to best serve the interests of the Borough. The Borough of Brentwood reserves the right to reject any or all proposals or any part thereof, and to waive any informalities.

#### **B. Factual Overview**

The Police Plan has about \$5.5 million in assets while the Employee Plan has about \$1.8 million. Each Plan is about 82% funded. The Police Plan has 13 active participants and 13 retirees. The Employee Plan has 17 active participants and 2 retirees (most retirees use the lump sum option). The Police Plan is a

defined benefit plan while the Employees Plan is a hybrid with a lump sum option. The interest assumption is currently 7% but the municipality is looking at raising it to 7.5%.

## **SECTION 2. PROPOSAL REQUIREMENTS**

### A. General

The Borough of Brentwood reserves the right to reject any or all proposals and to select the proposal that it judges to be in the best interest of the Borough of Brentwood.

The contract is subject to the approval of the Borough of Brentwood Council and is effective only upon their approval.

All proposers are bound by the deadline and location requirements of this RFP as previously stated in the Announcement.

**All proposals shall remain effective subject to Borough of Brentwood review and approval for a period of ninety (90) days from the deadline for submitting proposals.**

The proposer is encouraged to add to, modify or clarify any of the scope of work items it deems appropriate to obtain a high quality level of service at the lowest possible cost. All changes should be listed and explained. However, the scope of work proposed, at minimum, must accomplish the goals and work outlined below.

### B. Inquiries

All inquiries, questions, etc. concerning the RFP shall be forwarded to George Zboyovsky, PE, Borough Manager by e-mail ([gzboyovsky@brentwoodboro.com](mailto:gzboyovsky@brentwoodboro.com)). Any changes to the RFP will be in writing, documented and forwarded to all participating proposers of the RFP as soon as possible. Major changes, or an excessive number of changes, may result in cancellation of the existing RFP.

### C. Pre-Submission Conference

There will NOT be any Pre-Submission Conference for this project. Please refer to Item B for information regarding any inquiries.

D. Direct Contact

**Direct contact with any Borough employee without the expressed permission of the Borough Manager or his designated representative, on the subject of this proposal, is strictly forbidden. Violation of this paragraph may result in disqualification of your proposal.**

E. Proposal Submittal Requirements

Prospective packages (one (1) original and ten (10) copies and one (1) electronic .PDF version), shall be submitted in a sealed envelope clearly marked in the lower left-hand corner **“RFP 2015-02; “Pension Fund Investment Manager Proposal”** no later than **10:00 AM on August 6, 2015**. No proposal will be accepted after 10:00 A.M. and all proposals shall be delivered to the **Borough Offices, 3624 Brownsville Road, Pittsburgh, PA 15227**. All material submitted will become the property of Brentwood Borough and the only information available at the proposal opening will be the names of vendors submitting proposals. No facsimile of proposals will be accepted.

F. Debriefing

The Borough requires that in the RFP process all information as to persons or firms making offers or the contents of any offers is kept confidential. This information can only be given out after an award or decision to award has been made.

After an award is made, or the decision to make an award is made, the file is available in the Administrative Offices for public review. Request a review time during normal business hours, 8 a.m. to 4 p.m., Monday through Friday.

G. Examination of Data

Before submitting proposals, prospective Proposers shall carefully examine the RFP Package, acquaint themselves with all governing laws, ordinances, etc. and otherwise thoroughly familiarize themselves with all matters which may affect the performance of the work. The act of submitting a proposal shall be considered as meaning that the Proposer has so familiarized himself and, therefore, no concession will be granted by the Borough because of any claim of misunderstanding or lack of information. Proposers are expected to read and study all specifications with special care and to observe all their requirements. Discrepancies, ambiguities, errors or omissions noted by Proposer should be reported promptly to the Borough for correction or interpretation before the date of the opening of the proposal.

### **SECTION 3. WORK REQUIREMENTS**

#### **A. Scope of Work**

**INSTRUCTIONS:** The following work elements and work tasks constitute the work and product required to be performed and produced for a satisfactory **Pension Fund Investment Manager** for the Borough.

The successful Proposer shall furnish all expertise, labor and resources for those tasks associated with the Fund Management of the Brentwood Borough Police and Non-Police Pension Funds. The following generally highlights the services that the proposer will be required to perform:

- i. Offer advice on the asset allocations;
- ii. Offer suggestions for the creation of and revisions to the Investment Policy Statement;
- iii. Construct and maintain a low cost investment portfolio including portfolio monitoring and making investment changes as needed;
- iv. Arrange for custody services and attend quarterly Pension Committee Meetings;
- v. Employ index strategies (in whole or in part); (Note: Other low cost investment solutions such as a low cost balanced mutual fund as a core holding will also be seriously considered as one objective of the RFP process to arrive at a low cost fee structure.)
- vi. Utilize a yearly set fee (not a percentage of assets) as compensation is strongly preferred.

#### **SECTION 4. ORGANIZATION AND REQUIRED SUBMITTALS FOR PROPOSAL**

In order to provide the Borough with information that will enable us to evaluate qualifications from interested firms, please provide your firm's responses as to the following items in the outlined order provided:

A. Letter of Transmittal

This letter should include:

- a statement indicating your understanding of the work to be performed;
- an affirmation of the firm's qualifications for professionally and expertly conducting the work as understood;
- the firm's contact person(s), title(s), concerning the proposal, a telephone number(s) and email address where that person can be reached; and,
- a clear statement of the firm's, and/or the principals of the firm, relationship(s) with, or knowledge of any officials or employees of the Borough of Brentwood and the nature of this relationship or knowledge.

Note: Failure to clearly state and fully disclose any of the information required in the letter of transmittal shall be grounds for the Borough of Brentwood to reject the firm's proposals and will be grounds for immediate cancellation of any contract entered into between the Borough of Brentwood and the firm without payment of work completed.

B. Profile of Firm

This should be a brief statement indicating the firm's experience in conducting work of the nature sought by this RFP. Advertising brochures on the firm may be submitted as a part of this profile as long as the brochures specifically address the experience of the firm related to the work to be performed. Additionally, this profile should include:

- the location of the firm's office that will provide the proposed services;
- resumes of individual(s) or employees proposed to conduct the work and the specific duties of each employee relative to the proposed work;
- an organization chart;
- describe any parent/subsidiary/affiliate relationships;
- provide additional information regarding your firm's capabilities to produce and meet the goals for the Borough; and
- any other information describing the firm may be included if it relates to the capabilities and expertise of the firm in doing comparable work.

C. Relative Experience(s)

Provide specific answers to the following:

1. What is the number of clients, total assets and range in assets per client managed by the team leader proposed?
2. 

<u>Number of Clients and Amount of Assets (as of 12/31/14)</u>	<u>Number of Clients</u>	<u>Amount of Assets Under Management</u>
<ul style="list-style-type: none"><li>• Public Fund Clients</li><li>• Private Sector Fund Clients</li><li>• Other</li><li>• Total Clients</li></ul>		
3. What are your client retention statistics for each of the last three years?
  - For those who left, what percentage left due to issues pertaining to services provided by your organization? What percentage left due to performance issues?
  - What is the average client relationship duration?
4. Indicate how many years your company has been active in the defined benefit business. (Indicate the period of time for each service, if different, such as investment management for X years.)
5. Indicate the total value of assets for which you provide investment services.
6. Financial Statement and Balance Sheet, (if available, as prepared by a certified public accountant) which describes your financial condition and internal control structure.
7. If registered with the SEC, please provide the latest ADV filed.
8. If not registered with the SEC, why?
9. Describe all insurance maintained as coverage for a client's plans (e.g., fiduciary, errors and omissions, professional liability or other). Please provide a copy of the declarations page.

D. Client Service/Quality Assurance

1. Please describe the team that would deal directly with us during the transition and on an ongoing basis. Indicate staff size, experience and turnover rates.
2. What checks and balances do you have in place to assure reporting integrity and accuracy?

E. Reporting

1. Describe the standard report package that you would provide the sponsor (provide samples).
2. What is the standard time frame for providing each report after the calendar quarter reporting period ends?

F. Communication and Education

1. Who specifically would present reports to any Pension Committees and sponsor? What are the professional designations of this person?

G. Conversion

1. Explain your conversion process, including time frame and estimate related expenses.
2. What involvement will be required from the Sponsor during the conversion process?

H. Investments (Note - all presentation of investment returns must be clear as to whether they are gross or net of expenses and costs).

1. Describe how your organization can share, reduce, or minimize the fiduciary responsibility in managing the Fund assets. Will you accept fiduciary or co-fiduciary status in writing?
2. Discuss your organization's ability to provide investment vehicles for defined benefit plans. Be sure to disclose if you are providing these vehicles in-house or through external managers.
3. Discuss your organization's research capabilities with respect to investment managers, investment vehicles, financial markets, economic forecasting, and other elements.
4. Where you use external managers, describe the process whereby investment managers are selected. Who in your firm is responsible for this decision? How are managers monitored for consistency of performance, faithfulness to style and ability to exceed benchmarks? How often are these managers monitored?
5. Please describe in detail how you would work with the sponsor, including how you might revise the benchmarks. Please describe the investment vehicles by which you would fulfill the investment policy.

6. Briefly (one short paragraph), describe your current style/strategy.
7. Briefly describe how you "interface" with value and growth stocks at the same time?
8. Please state whether your fixed income management is active or passive and describe the process utilized.
9. Please state whether your asset allocation process is active or passive and describe the process utilized.
10. Please provide us with your all cap core balanced quarter composite returns with a cash component starting with 6/30/2005 and ending with the 6/30/2015 calendar quarter.
11. Assuming a portfolio mix of 50% domestic equities (S&P 500), 10% (MSCI EAFE), 37% Barclay Agg., and 3% 3-month T. Bill Index, please report the annualized return for one, two, three, five, seven and ten-year periods through 6/30/2015. Please delineate equity, total and benchmark return through 6/30/2015. Please indicate the portfolio standard deviation, Sharpe ratio, beta and Alpha. The format for reporting this information is at Appendix "A".
12. How many of your defined benefit pension clients that had a similar strategy or objective met or exceeded the annualized cumulative and rolling return reported in question 11 above in each period (1, 2, 3, 5, 7 and 10 years) on an AIMR compliant basis? What percentage of your defined benefit clients does this represent in each period? Are your investment results audited or certified and, if so, please submit such confirmation with your proposal.
13. Please describe the investment style recommended by you with respect to these plans and the recommended asset allocation.
14. How many defined benefit plans you advise adhere to the investment style and recommended asset allocation in nos. 11, 12, and 13 above? What percentage is this of the plans you represent?
15. How has your recommended investment style and asset allocation changed over the past three years and why?
16. How would you determine the proper duration of fixed income investments as well as the mix of equity and fixed on an ongoing basis?
17. For those firms using a manager of managers, or multiple outside managers, please supply a Morningstar portfolio snapshot reports as of 6/30/2015 for equities and bonds benchmarked appropriately.

18. To the extent not provided in the answers to the above, please complete the following. For those firms using a manager of managers, or multiple outside managers, please complete the following questions for each manager:

For each investment vehicle identified above, provide:

- the inception date;
  - the name of the investment/portfolio manager,
  - a biography of the manager;
  - the investment vehicle objective;
  - the investment strategy;
  - the investment philosophy;
  - the expense structure (including any loads, load waivers, management fees, other expenses, 12b-1 fees, fee subsidies, etc.);
  - the comparative index(es) used by the manager;
  - withdrawal provisions (including restrictions on transfers);
  - provide the annualized cumulative returns for the 1, 2, 3, 5, 7, and 10 year (or since inception) periods through 6/30/2015, and
  - ticker symbols for mutual funds.
19. For each investment vehicle, provide the annualized year-to-date return through 6/30/2015.
20. For each equity investment vehicle, provide the top ten holdings as of the last three calendar quarters.
21. For each equity investment vehicle, provide the sector breakdown as of the last three calendar quarters.
22. For each income investment vehicle, provide the sector breakdown as of the last three calendar quarters.
23. For each income investment vehicle, provide the average maturity, average duration, average yield, and average quality as of the latest three calendar quarters.
24. For each international or global investment vehicle, provide the value of the investment's allocations in each country.
25. For the money market investment vehicle, provide the 7-day current yield as of the latest three calendar quarters.
26. For the stable value investment with guaranteed interest, describe the current and minimum interest rate guarantees, how interest is credited, and the frequency of rate changes. Furthermore, provide the make-up of the underlying portfolio including asset type, grade, and percentage breakdown.
27. To the extent not provided above, for each investment vehicle, where appropriate, provide the alpha, beta, standard deviation, Sharpe ratio, and R2.
28. Which investments have a positive rolling three-year alpha? Which investments do not have a positive rolling three-year alpha?

29. For each investment vehicle, articulate the investment strategy used by the manager to add value relative to the benchmark(s) identified.
30. For each investment vehicle, identify the total defined benefit assets under management as of 6/30/2015.

I. Administrative

1. Where will you custody assets?
2. Do you have any affiliation with the Custodian and, if so, please describe?
3. Will the Custodian accept fiduciary or trustee designation?
4. What would be the cost for the Custodian and how does it change if they are a fiduciary or trustee?
5. Please verify that the Custodian will issue monthly performance reports via the Internet, benchmarked to the Investment Policy Statement.
6. If Borough so desires to outsource benefit payments, what firm would you recommend to make benefit payments and to issue all legally required tax and informational reports to participants and what would be the cost for these services?

J. Other

1. Do you or any of the firms that will be involved in providing services associated with your proposal have any pending legal or regulatory actions against you or have any outstanding legal judgments? If yes, please describe.
2. Do you or any of the firms that will be involved in providing services associated with your proposal have criminal convictions? If yes, please describe.
3. How are trades made and at what cost?
4. Are there any soft dollar arrangements that might be utilized? Please describe in detail.
5. Please provide a sample of all agreements necessary into the arrangement you propose.

6. If there are any commissions, 12b-1 trailer fees or compensation of any sort paid to any entity, please fully disclose in bold print in this section of RFP.

K. References

Please list 3 references of current clients of similar plan demographics (i.e., size and plan design), governmental plans in Pennsylvania are preferred, if available. Please provide client name, contact name, address, phone number, services provided and the year they became a client (or the year they became a former client).

L. Professional Fees/Expenses

Please attach a schedule indicating the yearly set fee (not a percentage of assets) to be paid to the investment manager as well as all other costs, expenses and fees covering each of the services and activities identified on the following listing. Also, please identify if the expenses are:

- one time or on-going
- breakpoint impacted
- guaranteed (and length of guarantee)
- performance adjustable charge
- discount oriented
- plan sponsor paid (billed and billing frequency)
- absorbed in determining investment share/unit value

*Use the specific information provided in this RFP about our plan in determining and illustrating your expenses. If assumptions are necessary, please fully explain your assumptions and quote the related expenses on a unit cost basis, if possible.*

Please describe each of the following fees, if applicable:

- Total expense ratio (total expense);
- Management fee;
- Management fee revenue sharing amount;
- 12b-1 distribution fee;
- 12b-1 distribution fee revenue sharing amount;
- Transfer agency fee;
- Transfer agency fee revenue sharing amount;
- Sub-transfer agent fee;
- Sub-transfer agent fee revenue sharing amount;
- Any other fee;
- Any other fee revenue sharing amount;
- Finder's fee;

- Front-end loads fee;
- Record keeping fees;
- Termination fees;
- Back-end fees or load;
- All other fees, costs or expenses of any type; and
- All soft dollar arrangements.

Will you invoice retrospectively (after the calendar quarter end) rather than prospectively (a quarter in advance)?

M. Other Submittals

Additionally, documents attached as appendices to this RFP shall be fully executed and returned with the proposal as follows:

APPENDIX A. RETURNS AND FEE FORM

APPENDIX B. NONDISCRIMINATION CERTIFICATION (FOR PROPOSING FIRM)

APPENDIX C. ACKNOWLEDGMENT OF TRUTHFUL REPRESENTATIONS

APPENDIX D. DISCLOSURE FORM

**SECTION 5. CONSTRAINTS ON THE SUCCESSFUL CONSULTANT**

A. Proposer’s Responsibility

It shall be the Proposer’s responsibility to perform under this Contract and provide continuous and smooth operations of the work as specified in the proposal.

The Scope of Work is intended to cover the complete services that may be required. It shall be distinctly understood that failure to mention any work, which would normally be required to complete the project, shall not relieve the Proposer of his responsibility to perform such work.

B. Annulment of Contract

Should the Proposer fail to fully satisfy the customer, or to comply with orders of the Borough, or to perform such work that has been unsatisfactory, or if the Proposer shall become insolvent or be declared bankrupt or shall make an assignment for the benefit of creditors or from any other cause shall not carry on the work in an acceptable manner, the Borough shall have the right to annul its Contract at the Borough’s convenience.

C. Personal Liability of Public Officials

In carrying out any of the provisions of this Contract or in exercising any power of authority granted herein, there shall be no personal liability upon the Borough or its authorized assistant, it being understood that in such matters he acts as the agent or representative of the Borough.

D. Insurance

The Proposer shall agree to keep in force, at their own expense, the following insurances. Inclusion of appropriate certificates of insurance will satisfy this requirement.

**Insurance Requirements**

Professional Liability	\$1,000,000.00
General Liability	\$1,000,000.00
Worker’s Compensation	\$100,000.00
Medical Insurance	\$ 500,000.00
Accidental Death	\$1,000,000.00
Automobile Liability	\$ 500,000.00
Umbrella (Excess Liability)	\$5,000,000.00

Upon award of Contract, the Proposer shall provide a copy of a Certificate of Insurance with the Borough of Brentwood named as an “Additional Insured” to Liability Coverage on the Certificate for the duration of the Contract.

**SECTION 6.COMPLIANCE WITH THE RFP**

All proposals submitted shall be in strict compliance with the RFP and failure to comply with all provisions in the RFP may result in disqualification or rejection of the proposal.

**SECTION 7. REVISIONS DUE TO AMBIGUITY, CONFLICT, OR OTHER ERRORS IN RFP:**

Any ambiguity, conflict, discrepancy, omissions or other error/s discovered in the RFP must be reported immediately to the Borough of Brentwood, George Zboyovsky, PE, Borough Manager, Brownsville Road, Pittsburgh, PA 15227, in writing and a request made for modifications or clarification. All changes to RFPs will be made in writing (addendum) and all parties who have received the RFP will receive the addendum. Proposers are responsible for clarifying any ambiguity, conflict, discrepancy, omission or error in the RFP prior to submitting the proposal or it shall be deemed waived.

**SECTION 8. IMPLIED REQUIREMENTS:**

Any service that is not specifically addressed in the RFP, but which is necessary to provide functional capabilities proposed by the Proposer, must be included in the proposal.

**SECTION 9. PROPOSALS AND PRESENTATION COSTS**

The Borough of Brentwood, or its agencies, is not liable in any way for any costs incurred by the Proposer's in the preparation of their proposals in response to the RFP, nor for the presentation of their proposals and/or participation in any discussion or negotiations.

**SECTION 10. REJECTION OF PROPOSALS**

The Borough of Brentwood, or its agencies, reserves the right to accept in part or in whole any or all proposals submitted or to waive any technicality or minor irregularity in a proposal. Unreasonable failure of a Proposer to promptly supply the Borough with information with respect to responsibility may be grounds for a determination of non-responsibility.

## **SECTION 11. EXCEPTIONS TO FORMAT**

The RFP describes the requirements and response format in sufficient detail to secure comparable proposals, recognizing that various proponent approaches may vary widely. Any proposal that differs from the described format may be considered **non-responsive and rejected.** Any and all exceptions to the RFP must be listed on an item-by-item basis and cross-referenced with the RFP document. If there are no exceptions, proposer should expressly state that no exceptions are taken.

**SECTION 12. VALIDITY OF PROPOSALS**

All proposals shall be valid for ninety (90) days from the date of the RFP opening and become the property of the Borough. If negotiations result in modifications to the RFP, then ninety (90) days will commence from the date of the receipt of the new proposal. This period may be extended by mutual written agreement between the Respondent and the Borough of Brentwood.

### **SECTION 13. EVALUATION CRITERIA**

All proposals will be evaluated based in part on the technical and professional expertise and experience of the firm, the proposed method and the procedures for completion of the work and the associated fees/costs of the proposal. The apparent ability of the firm to be independent and objective in performing the requested work will also be considered. Brentwood reserves the right to add additional evaluation criteria as it deems appropriate.

#### A. Technical Expertise and Experience

The technical expertise and experience of the firm will be evaluated using the following factors:

- The overall experience of the firm in conducting work similar to that which is to be provided to the Borough of Brentwood.
- The expertise and professional level of the individuals proposed to conduct the work for the Borough of Brentwood.
- The clarity and completeness of the proposal and the apparent general understanding of the work to be performed.

#### B. Procedures and Methods

The methods and procedures proposed to be used to conduct the work requested as they relate to thoroughness and objectiveness will be of primary importance in evaluating proposals. This includes evaluation of the soundness of the approach relative to the techniques for collecting and analyzing data, sequence and relationships of major steps and methods for managing the. Also evaluated will be the firm's method of soliciting involvement and participation.

#### C. Cost/Fees

The cost will be weighed in relation to the other proposals received and shall be evaluated relative to the fees to be received by the Borough of Brentwood, the overall level of expertise of the specific firm's personnel proposed to do the work for the Borough of Brentwood, examples of similar portfolio's, and reputation of the firm.

D. Proposal/Evaluation Schedule

The following is the tentative schedule that will be used in the evaluation process. Certain parts of the process may take more or less time than indicated.

- |                             |   |
|-----------------------------|---|
| • Advertise/Send Out RFP    | <u>July 9<sup>th</sup> and July 16<sup>th</sup></u>               |
| • Pre-Submittal Meeting     | <u>NA</u>   |
| • Deadline for RFP          | <u>August 6<sup>th</sup> at 10:00 AM</u>                          |
| • Review Proposals          | <u>August 6<sup>th</sup> – August 14<sup>th</sup></u>             |
| • Interviews (if necessary) | <u>TBD</u>  |
| • Council Action            | <u>August 24<sup>th</sup> or September 22<sup>nd</sup></u>        |
| • Award Contract/NTP        | <u><b>August 25<sup>th</sup> or September 23<sup>rd</sup></b></u> |

**SECTION 14. BOROUGH RESERVATION OF RIGHTS**

The Borough reserves the right to request additional information from any and all respondents, to waive any defect or abnormality, to award or not award all or any portion of the work described herein, to issue modifications to RFP or otherwise to move forward in the best interest of the Borough.

**END**

**Appendix A:**  
**Returns and Fee Form**

**Borough of Brentwood**

**Returns and Fee Form**

**APPENDIX "A"**

Returns:

1. Please report your composite returns in the following chart assuming you had been measured by blended benchmark of 50% S&P 500, 10% MS-EAFE, 37% Barclays Aggregate and 3% 3-month T. Bill Index. For this purpose, all performance figures should be through 6/30/2015 and should be net of investment management fees and net of investment advisory fees and other mutual fund level fees, and net of commissions and trading costs. If it is not possible to present the results as described in the previous sentence, describe in detail the basis upon which results are reported. Please indicate approximately how many of your clients are included in the composite results shown and if the results are not client composite results, on what basis are the results compiled.

<u>Performance</u>	<u>Performance</u>	<u>Benchmark</u>	<u>Standard Deviation</u>	<u>Sharpe Ratio</u>	<u>Alpha</u>	<u>Beta</u>
Year to Date						
1 year						
2 years						
3 years						
5 years						
7 years						
10 years						

Approximate number of clients included in composite results above:

\_\_\_\_\_

Are your composite performance results verified?

If so, how? \_\_\_\_\_

If results are not client composite results, on what basis are the compiled?

\_\_\_\_\_

**Borough of Brentwood**

**Returns and Fee Form**

**APPENDIX "A"**

2. Please list all the costs or expenses to the Plans that would be incurred in a year in order to utilize your investment platform. If there are services that will be provided outside your firm, please indicate the firm whose costs or expenses you are quoting. In total, there are about \$7,300,000.

	Approximately \$7,300,000
Yearly set investment manager fee	
Estimated yearly fund level charges (like mutual fund fees)	
Any other fees or expenses or costs of any kind? (Please explain.)	
Custody Charges	
Total estimated yearly fees	

How long will you guarantee no increases in fees?

4. Do you declare yourself a fiduciary?  Yes  No

Is this declaration limited or conditioned in any way?  Yes  No

If yes, please describe. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. Does your firm accept investment discretion?  Yes  No

# **Appendix B:**

## **Nondiscrimination Certification**

## APPENDIX B

### [THIS CERTIFICATION IS REQUIRED]

#### NONDISCRIMINATION

**Nondiscrimination and equal opportunity are the policy of the Commonwealth/[City, et al] in all its decisions program, and activities. The purpose is to achieve the aims of the United States and Pennsylvania Constitutions. Executive Order 1972-1, the Pennsylvania Human Relations Act, Act of October 27, 1955, (P.L. 744), as amended, 43 P.S. dd d 951, *et. seq.*, and (43 P.S. dd d 153), by assuring that all persons are accorded equal employment opportunity without regard to race, color, religious creed, handicap, ancestry, national origin, age, or sex.**

During the term of this contract, the Contractor agrees as follows:

(a) Contractor shall not discriminated against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Contractor shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Contractor shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this nondiscrimination certification.

(b) Contractor shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, handicap, ancestry, national origin, age, or sex.

(c) Contractor shall send each labor union or workers' representative with whom it has collective bargaining agreement or other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this nondiscrimination certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.

(d) It shall be no defense to a finding of noncompliance with this nondiscrimination certification that contractor has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the contractor was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.

(e) Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so that contractor will be unable to meet its obligations under this nondiscrimination certification, contractor shall then employ and fill vacancies through other nondiscriminatory employment procedures.

(f) Contractor shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of contractor's noncompliance with the nondiscrimination certification or with any such laws, this contract may be terminated or suspended, in whole or part, and contractor may be declared temporarily ineligible for further **Borough of Brentwood** contracts, and other sanctions may be imposed and remedies invoked.

(g) Contractor shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by the **Borough of Brentwood** Borough Manager, for purposes of investigation to ascertain compliance with the provisions of this certification. If contractor does not possess documents or records reflection the necessary information requested, it shall furnish such information on reporting forms supplied by the **Borough of Brentwood** Borough Manager.

(h) Contractor shall actively recruit minority and women subcontractors or subcontractors with substantial minority representation among their employees.

(i) Contractor shall include the provisions of this nondiscrimination certification in every subcontract, so that such provisions will be binding upon each subcontractor.

(j) Contractor's obligations under this clause are limited to the contractor's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Organization

BY \_\_\_\_\_

TITLE \_\_\_\_\_

---

## **Appendix C:**

### **Acknowledgment of Truthful Representations**

**APPENDIX C**

**ACKNOWLEDGEMENT OF TRUTHFUL REPRESENTATIONS**

**Please read and sign the statement below.**

**(Unsigned proposals will be discarded and not be considered.)**

The facts set forth in the submittal are true and complete, to the best of my knowledge. I understand that if contracted, false statements on this submittal shall be considered sufficient cause for termination of any agreements. I authorize any of my references to provide any information regarding previous work done related similar projects. I agree that the Borough of Brentwood and my references shall not be held liable in any respect if an agreement is not reached, is withdrawn, or the agreement is terminated because of false statements, omissions or answers made by me in this submittal.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

**Appendix D:**  
**Disclosure Form**

## DISCLOSURE FORM

### APPENDIX "D"

#### Complete the following form:

1. List the names and titles of each individual who will be providing professional services relative to this contract including advisors and subcontractors.
  
  
  
  
  
  
  
  
  
  
2. Relative to question 1 above, describe the following:
  - A. Are any of the above current or former officials of employees of Brentwood Borough? When were they last employed by Brentwood Borough?
  
  
  
  
  
  
  
  - B. Are any of the above registered federal or state lobbyists?
  
  
  
  
  
  
  
  - C. What are the responsibilities of each individual with regard to the proposed services?
  
  
  
  
  
  
  
  
  
  
3. Have you in the last year or do you now retain a third-party intermediary, agent or lobbyist to directly or indirectly communicate with Brentwood Borough? If so, please describe.
  
  
  
  
  
  
  
  
  
  
4. Has your firm or anyone in your firm solicited a contribution to any municipal official or candidate for municipal office in Brentwood Borough or to the political party or political actions committee of an official at Brentwood Borough or candidate for elected office at Brentwood Borough?
  
  
  
  
  
  
  
  
  
  
5. Confirm that no one at your firm (on or after July 9, 2015) will communicate with (or cause or agree to allow a third party to) communicate with officials or employees of Brentwood Borough except for requests for technical clarification which should be directed to George Zboyovsky.

6. List all contributions made by your firm or an Affiliated Entity to a municipal official or candidate for office in Brentwood Borough made on or after December 17, 2009. An Affiliated Entity means:
  - (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.
  
7. List any direct financial, commercial or business relationship with any municipal official or pension system of Brentwood Borough held by your firm or any Affiliated Entity.
  
8. List any gift including money, services, loan, travel, lodging, entertainment, discount or other thing of value, to any official, employee of Brentwood Borough or a fiduciary of its pension plan.
  
9. Confirm that no one at your firm or an Affiliated Entity was employed by Brentwood Borough in the last 12 months.
  
10. List any other disclosures made pursuant to Act 44 of 2009.

