



CITY OF BETHLEHEM, PENNSYLVANIA
Brokers to Provide
Group Annuity Quotations and Consulting Services
REQUEST FOR PROPOSAL
2017-P03

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1. BACKGROUND AND PURPOSE

The City of Bethlehem has an aggregated municipal pension fund for the Police, Fire and a frozen Officers and Employees plans. The O & E portion of the aggregated plan has no active employees and the board has approved annuitizing the liabilities of the plan (subject to final costs and legal clearance). The Pension Board includes three representatives each for Police and Fire as well as the Mayor, Controller (alternate-Deputy Controller), Treasurer and City Business Administrator (alternate-Director of Budget). Meetings are normally held monthly with quarterly meetings including the Investment Consultant and rotating presentations with the Investment Managers.

2. REQUEST FOR PROPOSAL OVERVIEW

The City of Bethlehem Retirement Board is soliciting proposals from qualified and independent professional consultants to:

- Provide Bid Specification services to the Pension Board for annuitizing the frozen O&E plan along with recommendations.
- Conduct the Bid solicitation process, Due Diligence, and Annuity Selection in consultation with the Retirement Board.
- Liaison services with the individual insurance companies and reporting to the Pension Board.
- Schedule insurance company presentations or other informational meetings as needed.
- After selection, provide services to review and install the contract.
- Provide documentation and representation to all outside parties including the PA Auditor General, DOL, IRS, PBGC and Participants, as applicable.
- Provide any additional support to the City of Bethlehem Pension Board and Participants as needed.

3. SUMMARY OF PENSIONERS/BENEFICIARIES:

- There are currently 37 pensioners with a total monthly benefit amount of \$62,989.77.
- The pensioners and/or beneficiaries listing along with sex, age, monthly benefit amount and benefit form will be emailed to you by contacting Gene Auman at 610-865-7120 or eauman@bethlehem-pa.gov.

4. PROPOSERS QUALIFICATIONS:

1. Ownership, Experience and Fees

- a.** Please provide a brief history of your firm and the date your firm began offering annuity consulting along with any significant changes and any anticipated changes.
- b.** Please describe your firm's current ownership structure including affiliations.
- c.** Are you a registered investment advisor with the Securities and Exchange Commission under the Investment Advisors Act of 1940? Are you registered with any other regulatory agencies and registered to do business in the Commonwealth of Pennsylvania? If so, please list.
- d.** Has the firm and/or any member of your firm ever been fined, disciplined and/or suspended by the SEC, the NASD, any stock exchange or other regulatory agency, association or government entity including court actions? Has the company had any lawsuits related to your services? Briefly describe any details.
- e.** Describe your fee structure and attach a schedule of your firm's current consulting fees, commission fees, trailer fees, finder's fees, or other income generated by this transaction. Please break out the charges in as much detail as possible even if this is part of the contract paid by the annuity company.
- f.** Please attach a copy of your most recent ADV Form as filed for verification, if applicable.

II. Clients

- a. Please provide the total number of clients for whom your firm provided annuity services and the total value within the last five years.
- b. Please provide a list of 3-5 clients, including but not limited to other Municipalities and local government units and provide a reference that may be contacted at each client.

III. Staff and Qualifications

- a. Please identify the consultant or consultants being proposed to direct the project. Provide experience and qualifications.
- b. Have there been any major management, principal, or staff changes in the firm during the last five years? If so, please explain.

IV. Other

- a. What makes your firm uniquely qualified to provide consulting services to the City of Bethlehem?
- b. Describe your search process and highlight those activities including typical insurance companies that are used or other option to annuitize participant liabilities. Also highlight how your process protects the Retirement's Board Fiduciary duty.
- c. What other services do you provide as a part of your monitoring and annuity consulting services?
- d. The company selected by the City of Bethlehem will be required to complete a PA Act 44 compliance report.

5. SUBJECT TO APPROPRIATIONS

The payment obligations of the City under the contract and the performance by Consultant under the contract are subject to the availability of funds lawfully appropriated for such purpose by Bethlehem City Council.

6. INSURANCE REQUIREMENTS

(a) Before City will issue a Notice to Proceed, Consultant, without the need for further prompting or demand by City, shall provide to the City Solicitor certificates evidencing the existence of in force insurance policies, issued by carriers authorized and licensed to do business in the Commonwealth of Pennsylvania, providing the coverages specified below, in amounts and on forms acceptable to City. Consultant shall maintain such insurance in effect until this Agreement has been fully performed. No insurance certificates shall be canceled or any change made in a required policy without thirty (30) days prior written notice to City. Consultant and its insurers are required to give thirty (30) days written notice to City of an insurer's intention to cancel an insurance policy required under this Agreement.

(b) Consultant shall maintain during the term of this Agreement professional liability or errors and omissions insurance (E&O) in amounts no less than \$1,000,000 per occurrence and \$1,000,000 in the aggregate. However, if Consultant's professional liability or E&O policy is a "claims made" based policy, which shall provide the same or greater limits, then Consultant shall maintain the professional liability or E&O insurance coverage for a minimum period of two (2) years after completion of the project or termination of the contract, whichever is later. If Consultant's profession is not one where an insurance market exists to acquire professional liability or E&O insurance for persons and organizations practicing the Consultant's profession, and procuring such insurance therefore is not possible, the City will consider waiving this requirement upon proof submitted to City that the insurance is not available in the market. *Uninsurability of Consultant does not qualify as unavailability of an insurance market for the required insurance. Comprehensive general liability insurance is not an acceptable substitute for, or the equivalent of, professional liability or E&O coverage.*

(c) Consultant shall maintain during the term of this Agreement, comprehensive general liability (CGL) insurance, with coverages acceptable to the City Solicitor, with coverage limits no less than \$1,000,000 per occurrence and \$1,000,000 in the aggregate to protect the Consultant from damages claims for bodily injury, including wrongful death and from claims of property damage, and consequential damages, which are caused by or arise from any work or operations performed by Consultant under this Agreement.

(d) The Consultant shall maintain, during the life of this Agreement, worker's compensation insurance and employer's liability insurance in at least such amounts as are required by Pennsylvania law for all of its employees performing work pursuant to this Agreement.

7. **INDEMNIFICATION**

The successful proposer will indemnify and defend the City and hold it harmless from any and all claims, liabilities, loss or damage, including attorney's fees, caused in whole or in part and/or contributed to by any errors or omissions in furnishing services, delay in furnishing services, breach of contract and/or negligent, professional negligence and/or wrongful acts of proposer.

The foregoing is a summary of the required contractual indemnification obligation. The City's standard contractual indemnification language shall control and is available for inspection on request.

8. **LEGAL REQUIREMENTS**

The performance of the contract will be subject to all applicable Federal, State, and Local Laws, Ordinances, Rules, and Regulations. Before submitting a proposal, each proposer must become familiar with Federal, State, and Local Laws, Ordinances, Rules, and Regulations that may in any manner affect cost, progress, or performance of the contract.

9. **CITY'S RESERVATION OF RIGHTS TO ACCEPT, NEGOTIATE AND REJECT PROPOSALS**

(a) This RFP seeks proposals to provide professional or personal consulting services. It is not an invitation to participate in a formal bidding procedure; and the City is not obligated to follow formal bidding procedures for this RFP under the Pennsylvania Third Class City Code.

(b) The City may at any time prior to executing a formal contract, when either it deems in its best interest or when the required work has changed since the proposals were solicited, take the following actions singularly or in combination:

- (1) reject all proposals at any time, including after any required City Council approval if the City Administration determines its best interest is not served by entering a contract;
- (2) waive any informality or deficiency in one or more of the proposals;

- (3) negotiate more favorable terms with a party submitting a proposal after all proposals have been received and then enter a contract on the basis of said terms;
- (4) request that one or more of the proposals be modified by the substitution of equivalent project tasks, specifications or details at an equivalent (i.e. not exact) total price or pricing rates when, in the City's sole judgment, the nature or purpose of the project is materially unchanged, and then enter a contract on the basis of said terms; and or
- (5) accept a proposal deemed most favorable to the City's interests without respect to price alone.

10. **TYPE OF CONTRACT**

The selected contractor will be expected to enter into the City's standard professional services contract that will be subject to the specifications and requirements set forth in this RFP.

- a. Appendix – Non-Collusion Affidavit