

City of Bethlehem Aggregated Pension Fund

Request for Proposal

Pension Securities Litigation Monitoring & Evaluation Services

Responses due by 4 pm, Wednesday, July 15, 2015

The City of Bethlehem Aggregated Pension Board is soliciting proposals from outside legal counsel with experience and expertise in monitoring and carrying out securities class action litigation for institutional pension funds. Firms interested in responding to this RFP should download the RFP from the website of the Fund's Consultant, Morrison Fiduciary Advisors, Inc. at www.morrisonadvisors.com or by contacting Mark Sivak. Any party may keep apprised of this RFP process through Morrison's website by referencing the "Client Search Activity" tab.

This RFP is for a professional service contract and the Board reserves the right to make any award that is deemed by the Board to be in the best interest of the Fund. Accordingly, the Board may amend the RFP process at any time and the Board retains the right to negotiate terms of the vendor proposals during the RFP process when in the best interest of the Fund. Responding firms are advised that the proposed evaluation services must be provided at no cost to the City and with no assurances that any resulting litigation will be awarded to that firm.

Any questions regarding this process should be forwarded to the Fund's Consultant, Robert Bulas at rjb@morrisonadvisors.com (e-mail preferred) or 412-344-6059.

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Pension Securities Litigation Monitoring & Evaluation Services

Responses due by 4 pm, Wednesday, July 15, 2015

The City of Bethlehem Pension Board is soliciting proposals from legal firms with experience and expertise in monitoring and carrying out securities class action litigation for institutional pension funds. Experience and expertise with Pennsylvania municipal pension plans regarding the requested services are preferred but not necessary. Factors in selection will include, but are not limited to, case analysis provided, fee proposals, potential conflicts of interest, and representation of similarly situated entities.

In conjunction with this RFP, the Board has engaged the investment consulting services of Morrison Fiduciary Advisors, Inc. to assist in preparing this RFP and assisting with the evaluation process. Morrison is a fee only investment consulting firm which has no affiliation with any money manager or broker dealer. This independence allows Morrison to be completely objective when advising the Fund.

This Request for Proposals (RFP) is issued in accordance with the requirements set forth in Pennsylvania Act 44 of 2009 and any potential vendor should familiarize themselves with this Act and conform to its specific requirements.

Scope:

- Shareholder Monitoring Services

Services shall include, but is not limited to, monitoring of securities class action filings, media and pertinent websites, & SEC filings. If and when the firm determines that further inquiry is warranted regarding a particular security, the firm will directly contact the City and report its findings.

- Investigation and Litigation

If the City deems it necessary to proceed with additional investigation, then the firm will proceed with its investigation. Services shall include, but are not limited to, filing an action, acting as lead or co-lead plaintiff, reviewing and monitoring prepared motions and participating in settlement discussions when permitted by the court, and withdrawing as a member of the class and bringing an independent action on behalf of the City.

In conjunction with this evaluation, the Board requests responding firms prepare a response to the following questions:

1. Provide information about your firm's understanding and expertise in providing securities monitoring services and litigation services for institutional pension plans. Securities monitoring services shall be provided at no cost to the City.
2. Identify the person who will serve as lead counsel and provide their respective experience.
3. Provide any potential conflicts of interest that will adversely affect the City.
4. Requirements of the City's staff and/or Trustees related to any class actions or lead plaintiff actions.
5. Provide a breakdown of the proposed fees when the firm acts as litigation counsel and any contingency fees on future settlements.
6. Other information deemed significant about your firm that will assist the City in its selection.
7. Please limit responding proposals to ten (10) pages.

Conclusion:

Please provide responses to these questions as well as additional information that would be useful in this evaluation by 4:00 PM, Wednesday, July 15, 2015. Please send 2 written copies to both Morrison Fiduciary Advisors and the City as follows:

Robert Bulas
Morrison Fiduciary Advisors
1405 McFarland Road
Pittsburgh, PA 15216
(412) 344-6059
rjb@morrisonadvisors.com

Mark Sivak
Director of Budget & Finance
City of Bethlehem
10 East Church Street
Bethlehem, PA 18018

Once a short list of firms is identified, additional copies of the proposals will be requested so that all Board members will be provided copies of the proposals to be further considered.

To provide a more efficient evaluation process, all respondents should direct their inquiries (e-mail preferred) to Robert Bulas at Morrison. The Board appreciates your interest in serving the City and looks forward to your response.

ACT 44 DISCLOSURE FORM FOR ENTITIES PROVIDING PROFESSIONAL SERVICES TO THE CITY OF BETHLEHEM AGGREGATED PENSION FUND

CHAPTER 7-A OF ACT 44 OF 2009 MANDATES the annual disclosure of certain information by every entity (hereinafter “**Contractor**”) which is a party to a professional services contract with The City of Bethlehem Aggregated Pension Fund (hereinafter the “City of Bethlehem”). Act 44 disclosure requirements apply to *Contractors* who provide professional pension services and receive payment of any kind from the City of Bethlehem’s pension fund.

Where noted, information in this form must be updated in writing as changes occur.

DEFINITIONS FOR DISCLOSURE

TERM:	DEFINITION:
CONTRACTOR	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.
SUBCONTRACTOR OR ADVISOR	Anyone who is paid a fee or receives compensation from a municipal pension system – directly or indirectly from or through a contractor.
AFFILIATED ENTITY	Any of the following: <ol style="list-style-type: none"> 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.
CONTRIBUTIONS	As defined in section 1621 of the act of June 3 rd , 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code
POLITICAL COMMITTEE	As defined in section 1621 of the act of June 3 rd , 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code

<p>EXECUTIVE LEVEL EMPLOYEE</p>	<p>Any employee or person or the person’s affiliated entity who:</p> <ol style="list-style-type: none"> 1. Can affect or influence the outcome of the person’s or affiliated entity’s actions, policies, or decisions relating to pensions and the conduct of business with a municipality or a municipal pension system; or 2. Is directly involved in the implementation or development policies relating to pensions, investments, contracts or procurement or the conduct of business with a municipality or municipal pension system.
<p>MUNICIPAL PENSION SYSTEM</p>	<p>Any qualifying pension plan, under Pennsylvania state law, for any municipality within the Commonwealth of Pennsylvania; includes the Pennsylvania Municipal Retirement System.</p>
<p>MUNICIPAL PENSION SYSTEM OFFICIALS AND EMPLOYEES; MUNICIPAL OFFICIALS AND EMPLOYEES</p>	<p><u>Specifically</u>, those listed in TABLE 2 titled: “<i>List of Pension System and Municipal Officials and Employees</i>” on the next page. Where applicable, includes any employee of the City of Bethlehem.</p>
<p>PROFESSIONAL SERVICES CONTRACT</p>	<p>A contract to which the municipal pension system is a party that is: (1) for the purchase 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.</p>

List of Municipal Officials for the City of Bethlehem

Certain requests for information in this form will refer to a “List of Municipal Officials.” 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.*”

<u>List of Municipal Officials:</u>	
<u>Elected Officials</u>	<u>Pension Board</u>
Robert Donchez – Mayor/Pension Board Member	David L. Brong – Pension Board Member
Bryan G. Callahan – Councilmember	Jason Fulmer – Pension Board Member
Adam R. Waldron – Councilmember	Douglas Nothstein – Pension Board Member
J. William Reynolds – City Council President	Wade Haubert – Pension Board Member
Eric R. Evans – Councilmember	Adam Orth – Pension Board Member
Michael D. Recchiuti – Councilmember	Robert Shuck – Pension Board Member
Cathy Reuscher – Councilmember	Robert Novatnack – Pension Board Member
Louis N. Stellato – Councilmember	Matthew Kloiber – Pension Board Solicitor
George H. Yasso – Controller/Pension Board Member	Mark W. Sivak – Dir. of Budget & Finance
Kaija Farber – Treasurer/Pension Board Member	

IDENTIFICATION OF CONTRACTORS & RELATED PERSONNEL

CONTRACTORS: (See “Definitions” – page 2) Any entity who currently provides service(s) by means of a Professional Services Contract to the Municipal Pension System of the City of Bethlehem, please complete all of the following:

Identify the Municipal Pension System(s) for which you are providing information:

Indicate all that apply with an “X”:

<input type="checkbox"/>	Uniform Plan	<input type="checkbox"/>	Police Plan
<input type="checkbox"/>	Fire Plan		

****NOTE:** For all that follow, you may answer the questions / items on a separate sheet of paper and attach it to this Disclosure if the space provided is not sufficient. Please reference each question / item you are responding to by the appropriate number. **(example: REF – Item #1.)**

1. Please provide the names and titles of all individuals providing professional services to the City of Bethlehem’s pension plan(s) identified above. Also include the names and titles of any advisors and subcontractors of the Contractor, identifying them as such. After each name provide a description of the responsibilities of that person with regard to the professional services being provided to each designated pension plan.

2. Please list the name and title of any *Affiliated Entity* and their *Executive-level Employee(s)* that require disclosure; after each name, include a brief description of their duties. (See: Definitions)

3. Are any of the individuals named in Item 1 or Item 2 above, a current or former official or employee of the City of Bethlehem?

➡ IF “YES”, provide the name and of the person employed, their position with the municipality, and dates of employment.

4. Are any of the individuals named in Item 1 or Item 2 above a current or former registered Federal or State lobbyist?

➡ IF “YES”, provide the name of the individual, specify whether they are a state or federal lobbyist, and the date of their most recent registration /renewal.

NOTICE: All information provided for items 1- 4 above must be updated as changes occur.

5. Since December 17th 2009, has the *Contractor* or an *Affiliated Entity* paid compensation to or employed any third party intermediary, agent, or lobbyist that is to directly or indirectly communicate with an official or employee of the *Municipal Pension System* of the City of Bethlehem (OR), any municipal official or employee of the City of Bethlehem in connection with any transaction or investment involving the *Contractor* and the *Municipal Pension System* of the City of Bethlehem?

This question does not apply to an officer or employee of the *Contractor* who is acting within the scope of the firm’s standard professional duties on behalf of the firm, including the actual provision of legal, accounting, engineering, real estate, or other professional advice, services, or assistance pursuant to the professional services contact with municipality’s pension system.

➡ IF “YES”, identify: (1) whom (the third party intermediary, agent, or lobbyist) was paid the compensation or employed by the *Contractor* or *Affiliated Entity*, (2) their specific duties to directly or indirectly communicate with an official or employee of the *Municipal Pension System* of the City of Bethlehem (OR), any municipal official or employee of the City of Bethlehem, (3) the official they communicated with, and (4) the dates of this service.

6. Since December 17th 2009, has the *Contractor*, or any agent, officer, director or employee of the *Contractor* solicited a contribution to any municipal officer or candidate for municipal office in the City of Bethlehem, or to the political party or political action committee of that official or candidate?

➡ IF “YES”, identify the agent, officer, director or employee who made the solicitation and the municipal officials, candidates, political party or political committee who were solicited (to whom the solicitation was made).

7. Since December 17th, 2009: Has the *Contractor* or an *Affiliated Entity* made any contributions to a municipal official or any candidate for municipal office in the City of Bethlehem?

➡ IF “YES”, provide the name and address of the person(s) making the contribution, the contributor’s relationship to the Contractor, The name and office or position of the person receiving the contribution , the date of the contribution, and the amount of the contribution.

8. Does the *Contractor* or an *Affiliated Entity* have any direct financial, commercial or business relationship with any official identified on the *List of Municipal Officials*, of the City of Bethlehem?

➡ IF “YES”, identify the individual with whom the relationship exists and give a detailed description of that relationship.

****NOTE:** A written letter is required from the City of Bethlehem acknowledging the relationship and consenting to its existence. The letter must be attached to this disclosure. Contact the City of Bethlehem to obtain this letter and attach it to this disclosure before submission.

9. Has the *Contractor* or an *Affiliated Entity* given any gifts having more than a nominal value to any official, employee or fiduciary – specifically, those on the *List of Municipal Officials* of the City of Bethlehem?

➡ IF “YES”, Provide the name of the person conferring the gift, the person receiving the gift, the office or position of the person receiving the gift, specify what the gift was, and the date conferred.

10. Disclosure of contributions to any political entity in the Commonwealth of Pennsylvania

Applicability: A “yes” response is required and full disclosure is required ONLY WHEN ALL of the following applies:

- a) The contribution was made within the last 5 years or since December 17th 2009 (whichever defines a shorter time period)
- b) The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the *Contractor* or *Affiliated Entity*.
- c) The amount of the contribution was at least \$500 and in the form of:
 1. A single contribution by a person in (b.) above, OR
 2. The aggregate of all contributions all persons in (b.) above;
- d) The contribution was for
 1. Any candidate for any public office or any person who holds an office in the Commonwealth of Pennsylvania;
 2. The political committee of a candidate for public office or any person that holds an office in the Commonwealth of Pennsylvania.

➡ IF “YES”, provide the name and address of the person(s) making the contribution, the contributor’s relationship to the *Contractor*, The name and office or position of the person receiving the contribution (or the political entity / party receiving the contribution), the date of the contribution, and the amount of the contribution.

11. With respect to your provision of professional services to the Municipal Pension System of the City of Bethlehem:

Are you aware of any apparent, potential or actual conflicts of interest with respect to any officer, director or employee of the *Contractor* and officials or employees of the City of Bethlehem?

NOTE: If, in the future, you become aware of any apparent, potential, or actual conflict of interest, you are expected to update this Disclosure Form immediately in writing by:

- Providing a brief synopsis of the conflict of interest (and);
- An explanation of the steps taken to address this apparent, potential, or actual conflict of interest.

➡ IF “YES”, Provide a detailed explanation of the circumstances which provide you with a basis to conclude that an apparent, potential, or actual conflict of interest may exist.

12. To the extent that you believe that Chapter 7-A of Act 44 of 2009 requires you to disclose any additional information beyond what has been requested above, please provide that information below or on a separate piece of paper.

Please provide the name(s) and position(s) of the person(s) participating in the completion of this Disclosure. One of the individuals identified by the *Contractor* in *Item #1* above must participate in completing this Disclosure and must sign the below verification attesting to the participation of those individuals named below.

Name:

Name:

Position:

Position:

Name:

Name:

Position:

Position:

Name:

Name:

Position:

Position:

SIGNATURE

TITLE

DATE

VERIFICATION

I, _____, hereby state that I am _____ for
(Name) (Position)
_____ and I am authorized to make this verification.
(Contractor)

I hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for Entities Providing Professional Services to City of Bethlehem Aggregated Pension Fund are true and correct to the best of my knowledge, information and belief. I also understand that knowingly making material misstatements or omissions in this form could subject the responding Contractor to the penalties in Section 705-A(e) of Act 44. 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