



**Request for Proposals (RFP) for Homestead Borough**

**ACTUARIAL SERVICES**

For Police and Non-Uniform Pension Plans

**Issue Date: 20 December 2021**

**Closing Date: 04 March 2022**

**Prepared by Borough of Homestead  
Allegheny County**

**For**

**The Borough of Homestead Police and Non-Uniform Pension Plans**

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## **INTRODUCTION**

Homestead Borough, located in Allegheny County, Pennsylvania, is soliciting proposals from qualified firms to provide actuarial services to its two defined requesting information regarding asset management services and advisory services for its Police Pension Plan and Non-Uniform Pension Plan, which are both defined benefit plans. The value of both funds is approximately \$2.6 million. Police Plan participants covered include twelve actives, three retirees and two receiving survivor benefits. The Non-Uniform Plan includes twelve actives, four retirees receiving benefits and 1 deferred participant.

The pension plans are administered under the management of the Pension Board and Borough Council established by local ordinance and in accordance with the terms of the Act 205 of 1984 and Act 600 where it affects the Police Pension Plan benefits and administration.

The actuarial firm should be able provide all the requested services or partner with another organization so that the services are seamlessly provided through a primary contact person.

## **SCOPE OF SERVICES**

Homestead Borough will be contracting the successful firm to provide the following actuarial services for the Pension Plans that will include, but not be limited to, the following:

- Prepare the actuarial valuation reports as January 1 of each odd-numbered year, beginning January 1, 2023, however as this is a new firm, an evaluation should be completed within 2022. The reports include benefit information on all members in the plans, as well as plan funding information. The valuation process should include a review of the actuarial assumptions as well as the plan's overall condition.
- Prepare the Act 205 forms to be submitted to the Department of the Auditor General every year, beginning January 1, 2022.
- Determine the minimum municipal obligation (MMO) required by Act 205 to be submitted by the Chief Administrative Officer to the governing body by September 30 of each year.
- Assist Borough in determining pension benefits for retired and terminated members.

- Provide assistance and attend meetings as required or requested by Borough management and the Borough Council.
- Review the AG-385 Certification form and recommend alterations, as needed.
- Determine reporting requirements under the Government Accounting Standard Board Statements, generally GASB No. 67, and provide annual GASB Financial Statements for all pension plans.
- Provide specific pension plan information and reports to external CPA firm relative to annual audit of the municipalities General Purpose Financial Statements.

### **Additional Services**

The successful firm will be required to perform the following actuarial services upon request of the Borough:

- Work with the Pension Board, staff, and other service providers (e.g., auditor, actuary, attorney, etc.) to the plans if instructed by the Borough, to manage the investment process of the pension plans and provide actuarial services.
- Inform the Borough of legislative and regulatory changes that may be applicable to the plans.
- Provide actuarial studies for benefit cost estimates and additional actuarial services upon the request of the Borough.
- Provide the necessary documentation or actuarial testimony during labor negotiations, and assist with arbitration if needed.
- Prepare (or assist the solicitor in preparing) plan documents including amendments, Summary Plan Descriptions, and ordinances or resolutions as needed by the Borough.

### **MINIMUM REQUIREMENTS TO RESPOND**

Applicants that respond to this RFP must be able to meet or exceed the following minimum criteria to be considered for the resulting award of this professional services contract:

- Ten or more Pennsylvania municipal/government entities under contract for actuarial services as described above.
- At least ten years of experience with local government pension plans.

- Understanding of the requirements for governmental plans in Pennsylvania under Act 205 of 1984 and other applicable pension regulations such as Act 600 of 1955, as amended.

## **CRITERIA FOR SELECTION**

- Investment management experience
- Specific experience with governmental defined benefit pension clients
- Fees
- Qualifications of Individuals working with the Plan
- Quality of references

## **SELECTION PROCESS**

The Pension Board will serve as the search committee and make its recommendations to the Borough (the governing body).

- Each committee member will review proposals submitted.
- The committee will decide which firms will be invited to make a presentation to the Board from the proposals that are determined to be qualified (meet the Minimum Requirements to Respond).
- The Board may, at its discretion, decide to interview only the most qualified professional service providers.
- Applicants will be notified of their selection for an interview by the Board within two weeks of the RFP Closing Date.
- The committee will analyze the providers based on the merits of their proposals and presentations, relative to the selection criteria above.

## **PROPOSAL FORMAT AND DUE DATE**

Nine (9) copies of the proposal and accompanying documents must be submitted and received no later than 3:00 P.M. on 04 March 2022. Proposals should include responses to the items on the Questionnaire and Disclosure Form and other requested information, such as qualifications of the individuals that will be assigned to the Borough and a list of municipal references.

Address for submissions:

**Vanessa McCarthy-Johnson, Manager**  
**Homestead Borough**  
**221 East 7th Avenue**  
**Homestead, PA 15120**

## **TERMS AND CONDITIONS**

This Proposal solicitation does not commit Homestead Borough to enter into any agreement or to pay any costs incurred in the preparation of any proposal.

- Selection of a provider will be within the discretion of the Borough, or the pension board as its representative.
- The Borough reserves the right to reject or disqualify any Proposals pursuant to the selection criteria and minimum requirements for a provider.
- It is the responsibility of each provider to carefully examine the requirements before submitting. Any questions about this RFP must be in written form and should be directed to Vanessa McCarthy-Johnson by email at [information@homesteadborough.com](mailto:information@homesteadborough.com) no later than March 1, 2022.
- Phone calls will neither be accepted nor returned.

<b>Names of Elected Officials</b>	<b>Names of Pension Board Members Other than Elected Officials</b>
Betty Esper, Mayor Don Dais, Council President Lloyd Cunningham, Vice President Council Rev. Louise Benton, Council Member Drew Borcik, Council Member Connie Burwell, Council Member Jou-Al Burwell, Council Member Mary Nesby, Council Member	Vanessa McCarthy-Johnson, Borough Manager

*A person who knowingly makes a material misstatement or omission on this disclosure form will be prohibited from entering into a contract with Homestead Borough for three years.*

## **EXHIBIT A – Actuary Questions**

1. Please provide the names and titles of all individuals who will be providing professional services to the Borough’s pension plan(s). In responding, please identify and disclose:
  - a. Whether each individual is a current or former official or employee of the municipality entering into the contract;
  - b. Whether the individual has been a registered Federal or State lobbyist;
  - c. A description of the responsibilities of each individual with regard to the contract.
2. Describe how long your firm has been providing the types of pension services sought under this RFP – specifically, to municipal government entities in Pennsylvania. In general terms, describe the make-up of your current municipal client base:
  - a. How many of your current public pension clients are Pennsylvania municipal pension clients?
  - b. What are the total pension assets of those Pennsylvania municipalities that your firm has under administration?
3. Details specific to services required:
  - a. Describe your proposal regarding actuarial services.
  - b. Attach samples of the actuarial reports including but not limited to the bi-annual valuation and member benefit statements that your firm would provide if chosen by the municipality.
4. Describe your firm’s approach to client support and if selected to provide services to this municipality, how this municipality will be integrated into your client support network.
5. Has your firm or any subcontractor or company in an advisory capacity that will be a party to the proposed services relative to this RFP, been involved in:
  - a. Any adverse criminal, civil, regulatory, or government actions against any director or principal officer in the past 5 years; or
  - b. Any investigation of the same nature that has occurred within the past 36 months?
6. Describe your firm’s errors and omissions insurance and commercial general liability insurance and specific coverage.
7. Specify any fees associated with initial takeover. Specify any fees that would be levied should the municipality withdraw or terminate the professional services contract with your firm. Does your firm require a specific term or length of contract? If so, indicate the minimum period of time your firm typically contracts for.
8. Describe your process for making tax payments on behalf of participants receiving monthly benefits as well as your timeline for end of the year tax reporting (i.e. 1099R and 945).
9. Describe your process for preparation of financial reports in accordance with GASB 67 & 68. Is this included in your fee?

## **EXHIBIT B – Act 44 Disclosures**

The following disclosure information is required under Act 44 of 2009. Failure to fully comply with these requirements may void any contract with the municipal pension system.

**Answer the following questions pertaining to any individuals who will be providing services under the proposed contract.**

1. Are any of them current or former officials or employees of Homestead Borough?
2. Are any a registered federal or state lobbyist?
3. Have any contributed in the past two years to a municipal official or candidate for office at Homestead Borough?
4. Do any have a direct financial, commercial, or business relationship with any official of Homestead or the municipal pension system?

**Answer the following regarding all your firm and affiliated entities.**

1. On an attached sheet of paper, disclose all contributions from you or an “affiliated entity” (as defined in Act 44 of 2009) to which all of the following apply:
  - a. The contribution was made within the last five years. The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the firm or “affiliated entity.”
  - b. The amount of the contribution was at least \$500 in the form of
    - i. a single contribution by a person in subparagraph (b) above; or ii. the aggregate of all contributions by all persons listed in subparagraph (b) above.
  - c. The contribution was made to:
    - i. a candidate for any public office in the Commonwealth or to an individual who holds that office; or
    - ii. a political committee of a candidate for public office in the Commonwealth or of an individual who holds that office.
  - d. The disclosures made under this subsection shall be updated annually.
2. For each contribution disclosed in your answer to No. 1 above, please provide the following information:
  - a. the name and address of the contributor;
  - b. the contributor’s relationship to the Contractor;
  - c. the name and office or position of each person receiving a contribution;
  - d. the amount of the contribution; and
  - e. the date of the contribution.
3. Disclose any gifts given by you or an “affiliated entity” to an official or employee of the municipal pension system or the municipality which controls the municipal pension system.

**List any additional potential or actual conflicts of interest that may exist relative to contracting of services with Homestead Borough.**



## **FEES**

Please provide the following information regarding fees.

### **Regular Actuarial Services**

Annual Fee for Police Pension Plan:           \$ \_\_\_\_\_

Annual Fee for Non-Uniform Pension Plan   \$ \_\_\_\_\_

Please list any services that are not included in the quoted fee, and any additional fees to provide those services.

## **REFERENCES**

Please list three (3) Pennsylvania municipal pension plan clients for whom the firm has provided actuarial services within the past year. For each reference listed, include the name of the municipality, the contact person at the municipality, telephone number and the email address.

**VERIFICATION**

I, \_\_\_\_\_, hereby state that I am \_\_\_\_\_  
for \_\_\_\_\_ and I am authorized to make this verification.

I hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for Entities Providing Professional Services to Homestead Borough Pension System 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 Applicant 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