



**Request for Proposals (RFP) for Homestead Borough**  
**INVESTMENT MANAGEMENT and ADVISORY SERVICES**  
For Police and Non-Uniform Pension Plans

**Issue Date: 20 December 2021**

**Closing Date: 04 March 2022**

Revised 01/24/2022

## TABLE OF CONTENTS

1.	Introduction	Page 1
2.	Investment Management /Advisory Services	Page 1
3.	Minimum Requirements to Respond	Page 2
4.	Criteria for Selection	Page 2
5.	Selection Process	Page 3
6.	Proposal Format and Due Date	Page 3
7.	Terms and Conditions	Page 3
	Exhibits:	
	A. Investment Management Questionnaire	Page 5
	B. Investment Manager Act 44 Disclosures	Page 6
	C. Verification	Page 8

## 1. **INTRODUCTION**

Homestead Borough, located in Allegheny County, Pennsylvania, is 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 investment management and advisory 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.

## 2. **INVESTMENT MANAGEMENT and ADVISORY SERVICES**

Homestead Borough will be contracting for Asset Management and Investment Advisory services that will include, but not be limited to, the following:

- Act as the main contact to the Borough about the investment management and performance of the pension plan assets.
- Develop an initial investment policy statement with input from the Borough officials for their adoption and recommend amendments or changes in the future to recognize changes in the industry, the needs of the funds/plans or for any other reason.
- 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 investment management services in accordance with the terms of the investment policy.
- Provide an ongoing analysis to the Borough of asset allocations and performance of the pension plans and recommend changes when needed.

- Coordinate with selected custodian and provider of retiree benefit payments, tax withholdings, IRS reporting and recordkeeping services and determine who will provide communication to the retirees about tax forms and payments.
- Provide quarterly financial reports (electronic or hard copy) to Borough officials for accounting and monitoring purposes of the pension plans.
- Attend periodic meetings to review the investment performance and asset allocations of the pension plans.

### 3. **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:

- Six or more Pennsylvania governmental defined benefit plans.
- Ten years of experience in institutional asset management.
- 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.
- The investment products are properly registered with the SEC and demonstrate a competitive composite performance that is GIPS compliant.

### 4. **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

**5. 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.

**6. 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**

**7. 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).
- Phone calls will neither be accepted nor returned.

## Exhibit A Investment Management Questionnaire

1. What is your firm's investment philosophy? What in your philosophy do you believe is different than other firms?
2. How many Pennsylvania municipal defined benefit pension plans do you currently manage and what are their total assets you manage? What is the amount of total assets you manage of all municipal plans?
3. How long have you been managing municipal defined benefit plans? What do you think are the current challenges with managing municipal pensions plans?
4. Provide actual examples illustrating the performance history of clients that you have managed? These numbers should be provided on a calendar year basis, and illustrate composite returns for the last one, three, five, and ten calendar years.
5. Show your proposed portfolio for a 60% equity and 40% fixed income allocation compared with a relative benchmark for one, three, and five calendar years. Would you recommend this 60/40 allocation mix?
6. Provide information on who would be the plans Custodian, how they would communicate with retirees and the process for paying the retirees. How will the communication occur?
7. Are your returns calculated in compliance with GIPS?
8. Provide the name and title of everyone who would be providing professional services to the Borough, including the firm's advisors and subcontractors, along with a description of the responsibilities of everyone performing work and information about their qualifications.
9. Provide a detailed description of proposed fees and costs for the defined benefit plan. These should be clearly broken down between investment/advisory services, clearing and custody services as well as any fees for a third-party administrator, and as stated above, include **all direct and indirect fees**.
10. Provide a list at least five municipal defined benefit plan references and contact information for whom you provide services like those being requested in this RFP, at least one of which must be in Pennsylvania.

## **Exhibit B Disclosure of Information for Prospective Professional Service Provider to Municipal Pension System**

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.
  - b. The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the firm or “affiliated entity.”
  - c. 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.
  - d. 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.
  - e. 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.**

Names of Elected Officials	Names of Pension Board Members Other than Elected Officials
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.*

## 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