

ARLINGTON FIRE DISTRICT
TOWN OF POUGHKEEPSIE, NEW YORK

REQUEST FOR PROPOSAL

INVESTMENT SERVICES

LENGTH OF SERVICE AWARD PROGRAMS

Approval Date: _____, 2019

Questions Due Date: March 20, 2019

Submission Due Date: April 1, 2019

Remittance Address: Arlington Fire District
Attention: Board of Fire Commissioners
11 Burnett Boulevard
Poughkeepsie, NY 12603

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PURPOSE

As the governing board of the Arlington Fire District (“District”), the District Board of Fire Commissioners (“Board”) seeks proposals for professional investment management consulting services for the District’s defined benefit Length of Service Award Program (“LOSAP”). The LOSAP was established by the District in accordance with Article 11-A of the New York State General Municipal Law.

I. CONTRACT PERIOD

The contract will be awarded for three (3) years from the date of Board authorization.

II. SCOPE OF SERVICES

The scope of services shall include providing fiduciary investment management and advisory services that will meet or exceed the District’s investment objectives and adherence to the highest fiduciary standards as required by Article 11-A of the New York State General Municipal Law. The District’s objective is to obtain the best possible return on investments consistent with the underlying criteria of liquidity and safety of principal. Service for LOSAP trust funds should include the following:

- A. Provide monthly reports of transactions and holdings to the District disclosing both cost and market valuations;
- B. Provide quarterly performance reports that display investment performance in comparison to predetermined investment benchmarks; and
- C. Not collect any soft dollar fees from any broker/dealer or other financial firm in relation to services provided to the District.

Active Management

- a. Monitor the District’s LOSAP portfolio daily;
- b. Work together with the firm retained by the District to provide administrative and actuary services to monitor cash flow needs;
- c. Monitor the credit worthiness of all investments and provide the District with detailed evaluations of any downgrades or upgrades or any changes in bond rating and/or credit quality; and
- d. Monitor LOSAP investments for consistency with the District’s Adopted Investment Policy.

Ongoing Services

- a. Provide monthly statements, detailing holdings and transactions, rate of return and balances;
- b. Review performance via quarterly meetings (or as needed);
- c. Perform ongoing monitoring of portfolio investments and overall strategy;
- d. Periodic review of the District’s investment policy and recommendations for changes as deemed appropriate;

- e. Periodically perform cash flow analysis to reevaluate appropriate allocation to core and liquidity portfolios working together with the firm retained by the District to provide administrative and actuary services;
- f. Rebalance assets as needed to be consistent with the District's Adopted Investment Policy;
- g. Perform and communicate portfolio compliance with the District's Investment Policy and applicable laws;
- h. Develop and present trust related items to the District for approval as needed for the District to fulfill its fiduciary responsibility;
- i. Provide analysis and recommendation of trust options as needed;
- j. Acknowledgement: The Firm selected to provide services in connection with this program must contractually agree to discharge its duties as fiduciary solely in the interest of program participants; and
- k. Solicitation, education, and confidentiality: The selected firm must agree not to use information obtained as a result of administering this program to solicit volunteer firefighters to purchase products of the entity. Educational materials about the benefits of the program, including potential tax consequences, may be provided to volunteer firefighters. All information obtained as a result of administration of the program is confidential and must be used exclusively for purposes relating to the program.

IV. PROPOSER QUALIFICATIONS

- A. Proposer shall be primarily engaged in providing the service as outlined in these specifications;
- B. The name(s) and professional credentials of the investment personnel who will perform the investing, including their number of years of experience performing such services in the field of Defined Benefit Length of Service Award Programs (and the number of years performing work for Defined Benefit Length of Service Award Programs for which they have performed such services or similar programs;
- C. An indication of the name or names of any person or persons associated with the firm who will be providing services under this proposal who has been convicted of any crime or was censured/reprimanded/required to pay any damages for misconduct or misrepresentation having to do with the services the firm proposes to provide;
- D. An explanation of any pending or sustained legal charges against the firm or against any investment or insurance institution whose investment/insurance, the firm recommended is purchased to fund the District's Service Award Programs; and
- E. Identify and describe any litigation and investigation by regulatory authorities that the firm or its professionals have been involved in during the last 3 years.

V. PROPOSAL CONTENT

The submission of a proposal for this service will be considered as a representation that the proposer has carefully investigated all conditions which affect or may, at some future date, affect the performance of the services covered by the proposal; that the proposer is familiar with all Federal, State, and Local laws and all codes, polices and ordinances of the District which in any way affect the performance of the work or persons engaged or employed in the performance of said work. Proposals are to be submitted in a format, which allows uniform review and easy access to information, by the evaluation committee.

All proposals shall provide a delineation of capabilities to satisfy the requirements of this request. Emphasis should be on completeness and clarity of content.

Items to be addressed in the proposal should include the following:

- A. RFP Submission Letter;**
- B. Table of Contents shall be provided and pages and exhibits numbered in an organized manner;**
- C. Proposer's Credentials.**

The proposer shall provide, in detail, the firm's credentials in the field of investment management and any information which documents successful and reliable experience in past performances, especially those related to the requirements of this RFP, a description of the firm's corporate experience and background in providing this service requirement, number of years in operation and financial information. Failure to do so may be cause for rejection of proposal.
- D. Staff Credentials.**

The proposal shall include the name, title, address, and telephone number of person(s) who will both manage and be assigned to supervise services under this proposal. This will include a signed, 1-page resume for each, including references detailing their qualifications and experience.
- E. Approach**

The proposal shall include information specific on the process to be utilized and assumptions to be made in determining the results of valuations. This information should include the additional information listed below:

 1. Describe the information and materials that will be needed by the investment advisor from the District and/or the firm retained by the District to provide administrative and actuary services in order to manage the portfolio;
 2. If a subsidiary or subcontractor is to be responsible for all or part of the execution of this contract, proposers shall also provide the identical level of information for the subsidiary or subcontractor as detailed above;

3. A timeline and a proposed analysis for the portfolio reinvestment process, beginning with an anticipated start date through the full investment of the portfolio;
 4. Please indicate the firm's recommended modifications to the investment policies and procedures, allocation assumptions and/or cost calculation methods currently used to calculate program costs;
- F.** Include a copy of your proposed contract for services.
- G. Non-Collusion Bidding Certification**
- H. Iran Divestment Act Certification**
- I. RFP Questions**
Please refer to Section IX.
- J. References**
Please provide at least five (5) references, which should include three (3) current accounts of similar size and scope, and two (2) previous accounts of similar size or scope. Please include the following information:
- a. Firm name and address;
 - b. Contracting officer and telephone number;
 - c. Date services were provided;
 - d. A brief, written description of the services provided; and
 - e. All costs for work herein described.
- K. Additional Terms and Conditions**
1. The project outlined in this proposal shall be awarded by the District;
 2. The District is not liable for costs incurred in the preparation or submittal of this proposal and any other subsequent proposals or presentations;
 3. The District reserves the right without limitation to: (a) accept or reject any or all proposals; (b) modify and re-issue the RFP; (c) all proposals shall be considered based on what is in the best interest of the District; (d) verify any information provided during the RFP process, including contacting references;
 4. The successful firm shall not discriminate against any individual in accordance with applicable federal, state or local laws;
 5. The contracts entered into as a result of this Request for Proposal, shall be between the selected firm and the District.

VI. EVALUATION CRITERIA

The following criteria will be used in the evaluation of statements of qualifications:

- A.** Experience of the firm and the assigned team in providing similar services to public sector clients; (20%)
- B.** The qualifications of the individuals who will provide the services; (20%)
- C.** Referrals; (10%)
- D.** Asset allocation and investment policy; (25%)
- E.** Fee Schedule including commissions, transaction costs and all other costs associated with administering the program; (25%) and

- F. The District may interview proposers following a review of the written proposal submissions.

VII. CONFIDENTIAL PORTFOLIO DETAILS AND/OR QUESTIONS ON RFP

For portfolio details and any other questions regarding this RFP please submit a request in writing by e-mail by March 22, 2019. Questions submitted in accordance with this provision will be answered in writing and the questions and answers will be circulated to all proposers that receive a copy of the RFP from the District. Questions should be directed to the Secretary of the Arlington Fire District, Renee O’Neill by e-mail to roneill@afd.org

VIII. SUBMITTAL INSTRUCTIONS

One (1) original and seven (7) copies of the proposal must be received at the address specified below according to the following guidelines:

- A. Proposals are due no later than 7:00 p.m. on April 1, 2019. District ATTN: : Secretary of the Arlington Fire District, Renee O’Neill;
- B. Proposals must be placed in a sealed envelope with the title of the RFP “Investment Services Length of Service Awards Program” bearing the name of the proposer, and the proposers address;
- C. Proposals shall be signed in the name of the proposer/firm and bear the signature of the person duly authorized to bind the firm into a contract. The name, address, and phone number of the point of contact shall be identified;
- D. All proposals become the property of the District and are subject to the Freedom of Information Law (Public Officers Law, Article 6);
- E. It is understood that proposers will independently evaluate the information in this RFP and the District makes no guarantee of accuracy of such information;
- F. By submitting a proposal, a proposer covenants that it will not make any claims for or any right to damages because of any misinterpretation or misunderstanding of the requirements of this RFP or because of any lack of information;
- G. The District will not be responsible for any costs incurred by a proposer in preparing or submitting a proposal, in attending an interview, or for any other costs incurred by a proposer prior to entering into a contract with the successful proposer;
- H. The District reserves the right to require a proposer to clarify its proposal to ensure a full understanding of the proposal and to request revisions to proposals from proposer s susceptible to an award of the contract;
- I. Unless as otherwise specified herein, proposers, including, but not limited to its officers, employees, agents, subcontractors or other associates shall not discuss this RFP, the services to be provided, the District LOSAP program, or their response with elected or appointed officials, employees or volunteer firefighters of the District prior to the District’s decision to award a contract;

- J. The District reserves the right to award the contract to a proposer other than the proposer submitting the lowest fees/charges. The District's decision to award the contract will be final. Notification of the award will be made in writing.

IX. RFP QUESTIONS

****These should be answered and submitted with your proposal****

A. HISTORY AND OWNERSHIP

1. List your firm's complete name, address, e-mail address, telephone and fax numbers. Provide a brief history of your firm, the year it was founded, the location of its headquarters, and the location of any other offices;
2. How long has the firm been acting as an investment advisor for LOSAP plans;
3. Provide a listing of all LOSAP funds, including amount of assets, for which the firm currently acts as an investment advisor; and
4. Describe the firm's level of experience and familiarity with government LOSAP funds that the firm feels differentiates it from the competition.

B. ORGANIZATION

1. Describe the lines(s) of business in the firm, its parent organization and any affiliated companies;
2. Is the firm, its parent, or affiliate a registered investment advisor with the SEC under the Investment Advisors Act of 1940;
3. Within the last ten (10) years has the firm or an officer or principal been involved in any business litigation or other legal proceedings relating to the firm's investment management activities? If so, provide an explanation and indicate the current status or disposition;
4. If the firm, its parent, or affiliate is a broker/dealer, does the firm trade for client accounts through this broker/dealer; and
5. Provide certification that the firm will not accept finder's fees or soft dollar rebates or other forms of direct or indirect compensation from investment managers, brokers, dealers or other providers related in any way to the District's account;

C. EMPLOYEES

1. Identify the investment professionals and other key staff who would be involved in serving the District account. Provide biographical data on these individuals;
2. Provide biographies of other key individuals in the firm;
3. Do any of the firm's investment professionals have professional investment certifications, portfolio management, or plan sponsor experience. Please provide details;
4. Describe the level of experience the firm's investment professionals have working with actuaries and developing funding strategies for LOSAP plans; and

5. Describe the firm's compensation arrangement for professional staff.

D. ASSET ALLOCATION & INVESTMENT POLICY

1. What is the firm's investment philosophy and framework for having a deep understanding of asset classes;
2. What is the firm's process for establishing client objectives and developing the Investment Policy Statement;
3. What measures does your firm have in place in order to comply with the Investment Policy Statement;
4. How does your firm determine the asset allocation structure and appropriate asset mix;
5. How does the plan's actuarial data and funding strategy impact this analysis;
6. Does your firm interface with the District's actuary? If so, in what way;
7. Does your firm allow leveraged investments or derivatives in the proposed investment portfolio? If so, describe in detail; and
8. Describe the firm's experience in providing these services, including approach to investments and maximizing returns, and provide a schedule of the firm's average rate of returns for LOSAP for each year of the past 10 years.

E. ETHICS

1. Does your firm, its principals and affiliates, subscribe to a professional Code of Ethics; Describe how you address conflicts of interest in providing advice to your clients. Please provide a copy of any formal ethics or conflicts of interest policy;
2. Does your firm carry professional liability or any other relevant insurance? If so, please describe the insurer, the type of insurance coverage, the beneficiary of such coverage, the limits of such coverage, and the deductible amount under coverage. Please provide a current certificate of insurance confirming that such coverage is currently in effect;
3. Is your firm received any claims or notices of potential claims that have been made or are being made with respect to such policies. If so, please explain;
4. Does your firm accept soft dollars as a method of payment for services provided? If so, how do you prevent conflicts of interest? Please list the advantages and disadvantages you see in the use of soft dollars;
5. If hired, will your firm receive any other form of compensation from working with this account that has not yet been disclosed? If yes, what is the form of compensation;
6. Please provide a draft investment advisory services contract for review, as well as information regarding the fiduciary liability insurance and fidelity bonding that your firm would maintain for this account if hired; and
7. Provide certification that your firm will serve in a full, fiduciary capacity placing the District's interest first at all times.

X **FEE PROPOSAL**

1. Provide a fee proposal for the services outlined in this request. Explain the fee breakdowns;
2. Include any additional costs not already listed that are related to the LOSAP trust; and
3. Describe all other fees or expenses that might be charged as a result of the firm's services to the District.

XI **MISCELLANEOUS**

1. Describe any special knowledge your firm has of the investment or funding issues affecting the LOSAP defined benefit plan;
2. State why your firm is uniquely qualified to service the District's account; and
3. List any services or attributes of your firm related to this RFP not mentioned herein, but that the District would find helpful.

NON-COLLUSION BIDDING CERTIFICATION

TITLE & DATE OF SPECIFICATION: _____

DATE OF PROPOSAL: _____

By submission of this proposal, the proposer, and each person signing on behalf of the proposer, subject to the terms of Section 103-d of the General Municipal Law amended by Chapter 675 of the Laws of 1966 certifies that:

- a. The prices in this proposal have been arrived at independently without collusion, consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor.
- b. Unless otherwise required by Law, the prices, which have been quoted in this proposal, have not been knowingly disclosed by the proposer and are not knowingly being disclosed by the proposer, prior to opening, directly or indirectly, to any other competitor.
- c. No attempt has been made or is to be made by the proposer to induce any other person, partnership, or corporation to submit or not to submit a proposal for the purpose of restricting competition.
- d. The person signing this proposal certifies that he/she has fully informed himself/herself regarding the accuracy of the statement contained in the certification, and under the penalties of perjury, affirms the truth thereof, such penalties being applicable to the proposer as well as the person signing in its behalf.

Signature: _____

Print Name: _____

Title: _____

Company Name: _____

Date: _____

IRAN DIVESTMENT ACT CERTIFICATION

As a result of the Iran Divestment Act of 2012 (Act), Chapter 1 of the 2012 Laws of New York, a new provision has been added to the State Finance Law (SFL), § 165-a, effective April 12, 2012. Under the Act, the Commissioner of the Office of General Services (OGS) will be developing a list (prohibited entities list) of “persons” who are engaged in “investment activities in Iran” (both are defined terms in the law). Pursuant to SFL § 165-a(3)(b), the initial list is expected to be issued no later than 120 days after the Act’s effective date, at which time it will be posted on the OGS website.

By submitting a bid in response to this solicitation or by assuming the responsibility of a Contract awarded hereunder, the Bidder/Contractor (or any assignee) certifies that once the prohibited entities list is posted on the OGS website, it will not utilize on such Contract any subcontractor that is identified on the prohibited entities list.

Additionally, Bidder/Contractor is advised that once the list is posted on the OGS website, any Contractor seeking to renew or extend a Contract or assume the responsibility of a Contract awarded in response to the solicitation, must certify at the time the Contract is renewed, extended or assigned that it is not included on the prohibited entities list.

During the term of the Contract, should the Arlington Fire District receive information that a person is in violation of the above-referenced certification, the Arlington Fire District will offer the person an opportunity to respond. If the person fails to demonstrate that it has ceased its engagement in the investment which is in violation of the Act within 90 days after the determination of such violation, then the Arlington Fire District shall take such action as may be appropriate including, but not limited to, imposing sanctions, seeking compliance, recovering damages, or declaring the Contractor in default.

The Arlington Fire District reserves the right to reject any bid or response to a request for proposal for an entity that appears on the prohibited entities list prior to the award of a contract, and to pursue a responsibility review with respect to any entity that is awarded a contract and appears on the prohibited entities list after contract award.

Signature: _____

Print Name: _____

Title: _____

Company Name: _____

Date: _____

ADDENDUM # 1

**ARLINGTON FIRE DISTRICT
TOWN OF POUGHKEEPSIE, NEW YORK
REQUEST FOR PROPOSAL
INVESTMENT SERVICES
LENGTH OF SERVICE AWARD PROGRAMS**

The following revision/change will be incorporated into the above-referenced previous Arlington Fire District (“District”) Request For Proposal (“RFP”) to provide professional investment management consulting services for the District’s defined benefit Length of Service Award Program (“LOSAP”). All other provisions and requirements are as originally set forth in the RFP remain in full force and are binding.

The Due Date to submit question on the RFP identified as March 20, 2019 on the cover page of the RFP is incorrect and is to be replaced with March 22, 2019. Therefore, the date by which all questions regarding the RFP must be submitted to the District in writing is March 22, 2019.

ACKNOWLEDGMENT RECEIPT OF ADDENDUM

I _____ hereby acknowledge receipt of Addendum No. 1 to the Arlington Fire District Request For Proposal (“RFP”) to provide professional investment management consulting services for the District’s defined benefit Length of Service Award Program (“LOSAP”). I further acknowledge that for the purposes of submitting this RFP, we have reviewed the contents of the Addendum and further state that I am authorized to execute this Acknowledgment on behalf of the company listed below.

DATE: _____

Signature of Authorized Individual Title

Name of Authorized Individual

Business Telephone Number

Company Name

**THIS ACKNOWLEDGMENT MUST BE INCLUDED WITH
THE SUBMITTAL OF THE RFP.**
