



**REQUEST FOR PROPOSAL (RFP) FOR  
CONSULTING SERVICES FOR THE POLICE PENSION FUND INVESTMENTS  
FOR THE BOARD OF TRUSTEES  
OF THE GALESBURG POLICE PENSION FUND**

RFP Circulation Date: 12/14/18

Proposal Submission Deadline: 01/09/19

# CITY OF GALESBURG

## PURCHASING

55 West Tompkins Street

Galesburg, IL 61401

Phone: 309/345-3678

### **Instructions to Offerors**

1. An advertisement requesting proposals for the above work was published in the Galesburg Register-Mail on December 14, 2018. As stated in such notice, sealed proposals will be received until 11:00 a.m. local time, January 09, 2018, at City Hall, 55 West Tompkins Street, Galesburg, Illinois. Proposals shall be addressed to the Purchasing Agent.
2. The person, firm or corporation making a proposal shall submit it in sealed envelopes on or before the hour and the date stated above. The notation "Proposal for Police Pension Consultant Services" shall appear on the outside of the sealed envelopes.
3. Each respondent shall insert the cost, and supply all the information, as indicated in the RFP. The cost inserted shall be net and shall be the full cost for the equipment specified, including all factors whatsoever.
4. No charge will be allowed for taxes from which the City is exempt: the Illinois Retailer's Occupation Tax, the Service Occupation Tax, the Service Use Tax, the Use Tax, Federal Excise and Transportation Tax.
5. Each respondent shall affirm that no official or employee of the City of Galesburg is directly or indirectly interested in this proposal for any reason of personal gain.
6. The Board of Trustees reserve the right to reject any and all proposals and to waive any informalities or technicalities in the proposal process. Any proposal submitted will be binding for sixty (60) days after the due date of the proposals.
7. The City has adopted an "Equal Employment Opportunity Clause" which is incorporated into all specifications, purchase orders, and contracts, whereby a vendor agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or ancestry. A copy of this clause may be obtained at the City Clerk's Office, City Hall, Galesburg, Illinois.
8. The City of Galesburg has adopted an Affirmative Action Program. All formal sealed proposals must be accompanied by a properly prepared Certificate of Compliance Form, whereby the vendor certifies the number of employees he has in each class of employment, and that affirmative action has been taken to ensure equality of opportunity in all aspects of employment.

9. Proposer certifies that all laws of the State of Illinois and ordinances of the City of Galesburg in effect at the date of the proposal shall be observed by him. Evidence of any violation during the term of the agreement shall be considered sufficient reason to discontinue purchases by the City from that vendor.
10. All general proposal information, proposal forms, conditions of the contract, and the form of agreement, between the City and the Contractor, shall be approved by Purchasing prior to advertising of public notice of the project
11. The successful proposer is prohibited from assigning, transferring, conveying, subletting, or otherwise disposing of the contract to be signed or its rights, title or interest therein or its power to execute such Agreement to any other person, company or corporation without the previous consent and approval, in writing, by the City of Galesburg
12. The City requires that vendors be paid through ACH (automatic clearing house). The awarded vendor will be required to provide the City with applicable banking information for proper payment. An ACH form is attached to this document for vendor review.
13. These instructions are to be considered an integral part of any proposal.

Dated: December 14, 2018

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Kraig Boynton  
Purchasing Agent

# **Specifications For Investment Consulting Services For Galesburg Police Pension Fund**

## **GENERAL:**

The Galesburg Police Pension Board is requesting proposals from qualified investment consultants to provide Investment Consulting Services as described in the Detailed Specifications section of this request. Any agreement entered into as a result of these submitted proposals would be between the selected vendor and the Pension Board.

Areas of importance in this request for proposal will include the following categories:

<b>Evaluation Criteria</b>	<b>Percentage</b>
Solutions/Services/Experience	45%
Pricing	45%
References	10%

Each area of evaluation has been weighted with a percentage to show each areas relative importance. A detail of each area will be explained below.

All of the items listed in this request for proposal should be discussed in detail by proposer in order to aid staff in making an informed decision regarding a facility service contract. The information requested is a minimum of what the evaluation team would like to see in a response.

The evaluation committee will evaluate each proposal. Each reviewer will be instructed to review all aspects of the proposal and impartially rate the services offered by each responder. All questions regarding the proposals will be directed through the City Clerk. The City Clerk will request answers from each respondent and provide all committee members with both the question and answer in order to insure all information has been communicated regarding these proposals. Please note that the Pension Board may request additional information from vendors.

## DETAILED SPECIFICATIONS

### Board of Trustees of the Galesburg Police Pension Fund Request for Proposal (RFP) Investment Consultant (Non-Discretionary)

#### I. Introduction

The Board of Trustees (Trustees) of the Galesburg Police Pension Fund (Pension Fund) is requesting proposals from Investment Consultants for the Pension Fund, as described in Section 2 below.

The Trustees of the Pension Fund can reject any proposal submitted. Proposals submitted will be evaluated by the Trustees and during the review process, the Trustees have the right to request additional information and corrections from any or all of those submitting proposals. Once the Trustees have reviewed the proposals, they may request oral presentations from any or all of those submitting proposals. All costs incurred with the submission of proposals are solely those of the proposer, the Trustees and/or Pension Fund will not reimburse any expenses of those proposing.

If you have any questions or communications pertaining to this Request for Proposal (RFP), please contact:

Kelli Bennewitz, City Clerk  
Galesburg Police Pension Fund  
55 West Tompkins Street  
Galesburg, IL 61401

Phone: 309-345-3610  
Email: [kbennewi@ci.galesburg.il.us](mailto:kbennewi@ci.galesburg.il.us)

***Questions must be submitted via email by January 04, 2019.***

#### II. Description of the Pension Fund

The Galesburg Police Pension Fund has total assets of approximately \$26,045,350.

#### III. Requirements for Investment Consultant

##### A. Investment Consultant

Section 5/1-101.5 of the Pension Code defines “Consultant” as follows: “as any person or entity retained or employed by a board of the pension fund to make recommendations in developing investment strategy, assist with finding appropriate investment advisors or monitor the board’s investments”.

In order to be a “Consultant” with respect to the Pension Fund, the person or entity must be one or more of the following:

1. Registered as investment advisor under the Federal Investment advisor Act of 1940
2. Registered as an investment advisor under the Illinois Security Law of 1953;
3. A Bank as defined in Investment Advisers Act of 1940;
4. An insurance company authorized to transact business in the State of Illinois.

A contract awarded to a “Consultant” may not exceed five (5) years in duration, which may not be extended or renewed. However, at the end of the term of the “Consultant” contract, the “Consultant” is eligible to compete for a new contract. “Consultants” bidding for Pension Fund Consultant Services must include a written disclosure of the following:

1. The offeror;
2. Any entity that is the parent of, or owns a controlling interest in the offeror;
3. Any entity that is subsidiary of, or in which the controlling interest is owned by, the offeror.

The Prohibited Transactions Section of the Illinois Pension Code, 40 ILCS §5-110(d) provides that a “Consultant” shall not knowingly cause or advise a Pension Fund to engage in investment transaction when the investment consultant has any direct interest in the income, gains, or profits of the investment consultant through which the investment transaction is made or, has a business relationship with that consultant that would result in a pecuniary benefit to the consultant as a result the investment transaction.

#### IV. Requirements for a Written Agreement between Pension Board and Consultant

Pursuant to §5/1-113.5(b), all investment advice and services provided by a “consultant”, appointed under this provision must be rendered pursuant to a written contract between the “investment advisor/manager” and the Board. The contract must include all of the following:

- A. Acknowledgment in writing by the “consultant” that he or she is a fiduciary with respect to the assets of the Pension Fund;
- B. Acknowledgment of the board’s investment policy, which should be incorporated into the agreement as an appendix;
- C. Full disclosure of any direct and indirect fees, commissions, penalties , and any other compensation that may be received by the “consultant”, including reimbursement for expenses, that maybe paid by or on behalf of the advisor/manager;
- D. A requirement that the “consultant” submit periodic written reports on at least a quarterly basis, reporting all returns on investments, net returns after payment of all fees, commissions and other compensation; and
- E. A requirement that the “consultant” update the disclosure concerning fees promptly after modification of those payments or additional payments.
- F. An Illinois Law governing provision.
- G. The Board will not agree to arbitration of disputes.

V. Delivery of Proposals

Please forward six copies of the proposal to:

Galesburg Police Pension Fund  
% Kraig Boynton, Purchasing Agent  
55 West Tompkins Street  
Galesburg, IL 61401

The proposals must be received by 11:00 a.m. on Wednesday, January 09, 2019, to be considered.

VI. Request for Proposal

A. Firm Information

1. Name of Firm
2. Address
3. Name, telephone number, email address and title of individual with authority to commit firm.

B. Description of Organization

1. Name of Organization
2. Firm
  - a. The year the firm was founded.
  - b. List specific municipal or government accounts currently under management:
    - (i) Specifically highlight Illinois Police and Fire Pension Fund accounts, and
    - (ii) Specifically detail the total market value of the relationship and the market values of the fixed income and equity portions, and
  - (iii) Highlight the number of years the firm has worked with the Fund.
  - c. Number of Illinois Police and Fire Pension Fund accounts that have terminated their relationship with your firm in the last 10 years.
3. The Person(s) that would have primary consultant responsibility for this account.
  - a) Name(s) and Title(s)
  - b) Provide biographies of these key personnel.
  - c) Number of accounts under the consultant that would be assigned to this account.

- d) Years of personal Illinois Police and Fire Pension Fund consultant experience.
  - e) Provide the names, responsibilities and tenure of key members of the Illinois Police and Fire Pension Fund consultant team that have left the firm within the last 3 years.
  - f) Who will represent your firm at pension board meetings?
- 4. Describe any special expertise and experience your firm has in providing investment consultant services to Fire and Police Pension Funds in Illinois.
  - 5. Disclosure of your firm's insurance coverage.
  - 6. Describe the competitive advantage your firm enjoys over its competitors.

#### C. Business Arrangements

- 1. List brokers executing more than 10% of your dollar volume over the last 12 months and disclose their percentages.
- 2. List total value of the soft dollar received over the last 12 months and their source.
- 3. Please disclose and describe all sources of income you receive in connection with investment consultant services to Fire and Police Pension Funds, either direct or indirect. What third parties will you receive compensation from, including, but not limited to, commissions, 12(b) (1) fees, referral fees, etc.?
- 4. Discuss recommendations for custody. Are you affiliated with this custodian? Do you receive any compensation for this custodian in regard to this client? Are any custodian services delegated to other firms? Itemize all cost to client should they choose to take your recommendations in regard to custody.

#### D. Investment Procedures and Approaches

- 1. Briefly describe the philosophy and methodology of your security selection for the equities and fixed income. If you feel any of the more common" investment styles" apply to your philosophy, please so indicate.
- 2. Describe your capabilities in developing, implementing and modifying investment guidelines and objectives.
- 3. Explain your views on passive versus active management. What is your recommended allocation between active and passive management?
- 4. To what extent does your firm manage individual bonds and equities, as opposed to choosing equity or other managers as sub-advisors?
- 5. Describe your role in recommending manager transitions and/or re-balancing strategic asset allocations targets.



6. What are your approaches to rebalancing or reallocating asset classes, styles, and sectors for or on behalf of the Fund? How do you add value in this process?

#### E. Investment Performance

1. Please submit composite performance data for the last one-year, three-year, five-year, and ten-year periods ending December 31, 2017. Also, provide performance for each full year your firm has consulted Illinois Police and Fire Funds through December 31, 2017. Please provide equity and fixed income composite performance separately. Specify if these returns comply with CFA Institute - GIPS performance presentation standards. Fixed income returns should include accrued interest. Indicate the composition of the composite and compare the composite performance against the appropriate market index / benchmark. The composite should contain ONLY Illinois Police and Fire Pension Fund accounts for which your firm is a consultant.

Disclose if any Illinois Police and Fire Pension Funds clients were left out of the composite. If so, why were they left out?

2. Please provide an example of your reporting format for quarterly meetings.
3. How much flexibility is there in your reporting format? Can reports be customized at the Pension Boards request? Are there charges for such changes? Within what time frame can requested changes in reporting be made, i.e., at the beginning of the relationship only or anytime changes are needed? Are reports available in electronic format?
4. Describe the benchmark that your firm feels the equity and fixed income portions of the portfolio should be managed against and why.

#### F. Fees

1. What is your proposed fee structure, including start-up fees, annual fees, and any other direct or indirect fees, commissions, penalties, and any other compensation, including reimbursement for expenses.
2. Provide a detailed description of the services to be provided in the exchange for the proposed fees?
3. Attach a sample investment Consultant Agreement with fee schedule.

#### G. Miscellaneous

1. Please provide a list of at least five Illinois Police and Fire Pension Fund client references with contact names, addresses, and telephone numbers.
2. Please provide a list of formal complaints, sanctions, or litigation against your firm in the last five years Has your firm, its principal or affiliate ever (i) been the subject of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation for any similar

federal, state or self-regulatory body or organization (ii) been a party to any litigation concerning fiduciary responsibility to other investment related matters, or (iii) submitted a claim to your errors and omissions, fiduciary, liability, and/or fidelity bond insurance carrier(s)? If yes to any, please provide details.

3. Provide a list of any/or all affiliates with financial institutions, insurance companies, mutual funds, and/or brokerage firm. Please provide a description of each affiliation.
4. Please state whether you are willing to acknowledge that you are a fiduciary of the Pension Fund as defined in the 40 ILCS 5/1 – 101.2, Illinois Statutes.
5. Please state whether you agree to venue for any judicial proceeding to be in the State of Illinois.
6. If requested, what other services could your firm provide (on-site training, etc.) for trustees and staff?
7. Specify how your firm will handle transfer of assets. Describe how your firm will assist in transition management.

RETURN WITH BID  
TO THE CITY OF GALESBURG, ILLINOIS  
CERTIFICATE OF COMPLIANCE

EMPLOY- MENT	SUPER- VISORY	SALES	OFFICE	SKILLED	SEMI- SKILLED	NON- SKILLED
WHITE						
BLACK						
OTHER						
MALE						
FEMALE						

(PLEASE FILL IN THE NUMBER OF EMPLOYEES IN EACH CLASS)

1. THE CONTRACTOR OR COMPANY WILL NOT DISCRIMINATE AGAINST ANY EMPLOYEES OR APPLICANT FOR EMPLOYMENT BECAUSE OF RACE, CREED, COLOR, SEX, AGE, NATIONAL ORIGIN, HANDICAPPING CONDITION UNRELATED TO ABILITY TO PERFORM THE JOB; AND, WILL TAKE AFFIRMATIVE ACTION TO ENSURE THAT APPLICANTS ARE EMPLOYED WITHOUT REGARD TO THEIR RACE, CREED, COLOR, SEX, AGE, HANDICAP OR NATIONAL ORIGIN. SUCH ACTION SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING: EMPLOYMENT, UPGRADING, DEMOTION OR TRANSFER, RECRUITMENT OR RECRUITMENT ADVERTISING, LAYOFF OR TERMINATION, RATES OF PAY OR OTHER COMPENSATION, AND SELECTION FOR TRAINING, INCLUDING APPRENTICESHIP. THE CONTRACTOR OR COMPANY AGREES TO POST, IN CONSPICUOUS PLACES, AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT, NOTICES SETTING FORTH THE PROVISIONS OF THIS NON-DISCRIMINATION CLAUSE.

2. THE CONTRACTOR OR COMPANY WILL, IN ALL SOLICITATIONS OR ADVERTISEMENTS FOR EMPLOYEES OR ON THEIR BEHALF, STATE THAT ALL QUALIFIED APPLICANTS WILL RECEIVE CONSIDERATION FOR EMPLOYMENT WITHOUT REGARD TO RACE, CREED, COLOR, SEX, AGE, HANDICAPPING CONDITION UNRELATED TO ABILITY OR NATIONAL ORIGIN. THE SAME SHALL HOLD TRUE WHEN RECRUITMENT SOURCES ARE USED TO SECURE APPLICANTS.

3. THE CONTRACTOR OR COMPANY AGREES TO NOTIFY ALL OF ITS SUBCONTRACTORS OF THEIR OBLIGATION TO COMPLY WITH THE NON-DISCRIMINATION POLICY.

4. IN THE EVENT OF THE CONTRACTOR'S OR COMPANY'S NON-COMPLIANCE WITH THE NON-DISCRIMINATION CLAUSES OF THE CONTRACT OR PURCHASE OR WITH ANY OF SUCH RULES, REGULATIONS OR ORDERS, THE CONTRACT OR PURCHASE MAY BE CANCELLED, TERMINATED OR SUSPENDED IN WHOLE OR IN PART AND THE CONTRACTOR OR COMPANY MAY BE DECLARED INELIGIBLE FOR FURTHER CITY CONTRACTS OR PURCHASES IN ACCORDANCE WITH THE AFFIRMATIVE ACTION PROGRAM ADOPTED BY THE GALESBURG CITY COUNCIL AT THEIR MEETING ON AUGUST 6, 1990.

BY: \_\_\_\_\_  
BIDDER

**THIS FORM IS BASED ON IRS REQUIRMENTS FOR THE SAME ESSENTIAL INFORMATION AS A W-9**

RETURN TO: CITY OF GALESBURG  
ATTN: A/P  
55 W TOMPKINS ST  
GALESBURG, IL 61401

OR FAX TO: 309-343-4765

The following information is needed to complete your vendor file and to comply with IRS requirements. Please fill out this form as completely as possible to ensure proper payment to you. Please return completed form as soon as possible to The City of Galesburg at the above address or fax number. Please call 309-345-3674 with any questions.

BUSINESS NAME: \_\_\_\_\_

INDIVIDUAL NAME: \_\_\_\_\_

(for Sole Proprietors as appears on Social Security Card)

BUSINESS ADDRESS: \_\_\_\_\_

CITY, STATE, ZIP: \_\_\_\_\_

YOUR TAXPAYER IDENTIFICATION NUMBER: \_\_\_\_\_  
(FEIN or business tax ID. No.)

OR, YOUR SOCIAL SECURITY NUMBER: \_\_\_\_\_  
(If using SSN, enter the name on the card above as Individual Name.)

PLEASE CHECK APPROPRIATE BOX:

Individual/Sole Proprietor     Corporation     Partnership     Other \_\_\_\_\_

YOUR COMPANY PROVIDES:

Legal Services     Services     Materials     Other \_\_\_\_\_

ARE YOU SUBJECT TO BACKUP WITHHOLDING?

Yes     No

PERSON TO CONTACT: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

UNDER PENALTY OF PERJURY, I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS CORRECT AND COMPLETE.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

FOR OFFICE USE ONLY

ENTERED INTO SYSTEM

VENDOR NUMBER: \_\_\_\_\_

**Only required to be submitted if your firm is the awarded vendor.**



**City of Galesburg**

Operating Under Council – Manager Government Since 1957

Due to the procedural change in the City Council agendas, vendor payments will only be approved at the first Council meeting of the month, therefore, vendors will now be paid on a monthly basis.

The City of Galesburg will no longer be issuing checks for vendor payments. The City will pay vendors through ACH by automatically depositing payments to a bank checking/savings account (once a month) or payment to vendors can be made by credit card at the time of purchase.

**In order to process your next payment, please fill out the following information and provide a copy of a void check.** Please mail to City of Galesburg, Accounts Payable, P.O. Box 1589, Galesburg, IL 61402-1589 or fax the completed form and a void check, if the funds are being deposited to a checking account, to the fax number listed below.

Vendor Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Bank Name: \_\_\_\_\_

Checking/Savings Acct Number: \_\_\_\_\_

(Please indicate type of account by circling Checking or Savings)

Bank Routing Number: \_\_\_\_\_

Signature: \_\_\_\_\_

Payment information will be e-mailed to you approximately 2 days prior to the funds being credited to your bank account. If you have any questions, please contact me.

Sharon L. Heiden  
Accounts Payable  
City of Galesburg  
309-345-3674  
309-343-4765 fax