

CITY

OF

JOPLIN, MISSOURI

**POLICEMEN'S AND FIREMEN'S PENSION
BOARD**

REQUEST FOR PROPOSAL PACKAGE

#2019-PF-RFP-02

For

PENSION CUSTODIAN SERVICES

CITY OF JOPLIN
POLICE AND FIRE PENSION PLAN
602 SOUTH MAIN STREET
JOPLIN, MO 64801

(417) 624-0820 EXT 1251

NOTICE TO BIDDERS

The Joplin Policemen's and Firemen's Pension Board will accept sealed bid proposals until 10 A.M., Friday, June 7, 2019 at City Hall, Finance Department, 602 South Main Street, Joplin, Missouri, 64801 to PURCHASE the following:

PENSION CUSTODIAN SERVICES

Specifications and bid forms are available from Leslie Haase, Finance Director, 602 South Main Street, Joplin, MO 64801 or by writing to the address indicated above. Any bids received after the specified deadline will be returned to the vendor.

The Pension Board reserves the right to evaluate all bids, to reject any or all bids and re-bid at a later date. The Pension Board may waive any irregularities in the bid or negotiate variances from specifications, and make awards that are in the best interests of the Board. The Pension Board will have final decision in all matters regarding acceptance of bids and issuance of awards.

The Pension Board encourages minority and female owned businesses to submit bids on all Board purchases.

Leslie Haase, CPA, CMA
Finance Director

1) Publication Date: Wednesday, May 1, 2019

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I. INTRODUCTION AND BACKGROUND

The City of Joplin Policemen's and Firemen's Pension Fund Board (PFPFB) is seeking to secure competitive bids for pension custodian services. The PFPFB's objective is to engage the services of a firm with public plan custodian services experience and for the performance of other regular duties as directed by the Board. The successful bidder will be asked to begin no later than January 1, 2020.

The Joplin Policemen's and Firemen's Pension Fund has approximately 191 active police and fire members, 129 retired police and fire, and 33 persons receiving monthly survivor benefits. The retirement plan is a single-employer, defined benefit plan funded by required member contributions and annual appropriations by the City of Joplin. Currently, Tier 1 members contribute 18.08% of annual compensation and Tier 2 members contribute 10% of annual compensation into the Plan. The City contributes the actuarially recommended contribution of annual compensation into the Plan.

Proposal specifications are outlined in the following sections, and a copy of the Joplin Policemen's and Firemen's Pension Fund Plan.

A. Goals and Objectives

The PFPFB's objectives are to:

- Secure at a reasonable cost to the Joplin Pension Fund the services of a custodian capable of producing the work product required
- Develop channels of communication with the custodian at a non-technical level which will enable the Joplin Pension Board to fulfill its statutory responsibilities relative to the management of the Plan

B. Criteria for Vendor Selection

Selection will be based on the vendor's ability to offer the requested services at a competitive price. Responses to the RFP and vendor selection will be evaluated according to the following criteria:

- Competitive costs
- Customer Service to plan membership
- Credentials of professionals assigned to the client
- Back-up personnel available
- Experience with other public-sector pension plans

C. Timetable for Selection Process

The expected timetable for the vendor selection process is as follows:

<u>ACTIVITY</u>	<u>DUE DATE</u>
Issue Request for Proposal	5/01/19
Proposal Due Date	6/07/19
Finalist Presentations (if required)	August 2019
Selection of Vendor	September 2019
Contract Executed	October 2019
Contract Effective Date	1/01/20

D. Proposal Parameters

- All exceptions to terms, vendor conditions, or other requirements should be clearly stated in a separate section at the front of the proposal, even if identified elsewhere in the proposal.
- All questions should be answered clearly and completely, in the format outlined.
- The proposal should be effective June 7, 2019 until December 31, 2019.
- Please refer to Appendix A for instructions to bidders and other pertinent information.
- Proposals are due at the City of Joplin by Friday, June 7, 2019 at 10:00 a.m.
- All packages containing proposals must be clearly marked on the outside with the firm's name and address and the RFP number.
- Please send 10 copies to:

City of Joplin
Policemen's and Firemen's Pension Plan
Attn: Leslie Haase, Finance Director
602 South Main
Joplin, MO 64801

Proposals received after that time will not be considered.
Questions regarding this proposal should be addressed to Mrs. Haase at (417) 624-0820 ext 1251.

II. SCOPE OF THE WORK

A. Regular Services

Regular services consist of:

- Issuance of Monthly Retirement Benefit Payments to Retirees
- Release of funds to Terminated Employees
- Issuance of Annual 1099's to Retirees and Terminated Employees
- Coordinate with Investment Consultant to invest funds as directed by Pension Board
- Coordinate with appropriate City personnel and board personnel to appropriately account and handle funds of the plan
- Provide monthly statements for each account of the plan

B. Special Services

Special services may include:

- Preparation of communications pieces
- Consulting on matters within the purview of the Board's responsibilities
- Other related assignments

III. TECHNICAL SPECIFICATIONS AND INFORMATION

Organization Background, Experience and Stability

1. ***When was your company founded?***
2. ***Where is your company headquartered?***
3. ***In what year did you initiate your custody / master trust service?***
4. ***Describe the ownership structure of your firm.***
5. ***Please provide a brief history of your firm's experience with master trusts, custody, safekeeping, clearing and lending services.***
6. ***Please describe your strengths that differentiate your master trustee service from other service providers. Identify any areas targeted for improvement.***
7. ***How do you define your fiduciary responsibility?***
8. ***Discuss the financial stability of your firm. Provide information from your most recent S&P and Moody's ratings & reports. If you are a subsidiary, will your ultimate parent guarantee payment of your liabilities?***
9. ***Identify and describe any litigation or investigation by a regulatory authority that your organization or officers have been involved in over the last three years that relate to master trust / custody or security lending services.***
10. ***List all insurance coverage relevant to master trust / custody functions. Indicate the type and amount.***
11. ***Please describe any merger and/or acquisitions you have been involved in over the past five years. Do you anticipate any mergers and/or acquisitions involving your company in the near future?***
12. ***What is the total number of your master trust/custody clients?***
13. ***What is the total market value of all your master trust/custody assets?***
14. ***Please complete the following table with your distribution of clients: Distribution of clients by Size (# of clients in each range):***

\$0-\$50mm	\$50-\$150mm	\$150-\$500mm	\$500mm - \$1bb	\$1bb - \$5bb	Over \$5bb

15. ***Describe your policies regarding confidentiality of client information.***

- 16. Detail the growth of master trust/custody relationships during the past five years in terms of client account and asset values.**
- 17. Please provide the number of custody accounts that you have gained and lost for each of the last 3 year.**

Administration and Staff Information

- 18. Please provide an organization chart and a discussion of your staff structure.**
- 19. Do you assign one primary relationship manager, or will our client be working with different people based on the service requested (i.e. accounting, distributions, reporting, etc.)?**
- 20. Describe who will service the relationship and provide biographies. Where will this individual be located?**
- 21. Complete the following table with the number of employees in each area:**

Relationship Managers	Other Client Service	Operations/ IT	Administrative Support	Securities Lending	Other*

Please describe "other".

- 22. How many accounts does this individual or team currently handle and how big are these accounts?**
- 23. What level of employee turnover have you experienced in the last three years?**

Investment Manager Liaison Group

- 24. Describe how your organization interacts with investment managers.**
- 25. Through what vehicles can managers communicate trade data?**

Data Processing / Computer Systems

26. ***Please indicate the location(s) of your administrative operations and computer facilities that support your custody operations.***
27. ***Please describe your system's hardware configuration. Indicate how long the current hardware has been in place.***
28. ***Please describe your system's software. Indicate who designed the software (developed in-house or purchased?)***
29. ***How long has the current system been in use?***
30. ***Do you have a data processing programming staff supporting the master trust and custody systems? If so, how many employees? How much of their time is devoted to this activity? What is your turnover rate?***
31. ***Describe the significant system enhancements, changes and/or additions to the custody systems that have been implemented over the past few years.***
32. ***Do you plan any major system conversions within the next two years? How does your organization support the advancement of systems technology? Briefly describe your organizational goals and philosophy regarding systems.***
33. ***Describe your firm's authorized signature control procedures. How are records maintained and updated?***
34. ***Please describe the independent audit review that is performed on the computer system.***

Disaster Recovery

35. ***Describe your emergency disaster recovery procedures. Do you have duplicate offsite backup location in case of emergency? If so, where is this office located? When was the last full backup test?***

Online Communication

36. ***What reports and functions are available online? Please provide examples. Is the information available for all type of holdings – mutual funds, fixed income, as well as actively-managed securities?***
37. ***Describe your system's customer availability timeframes.***
38. ***Is there a help desk available?***
39. ***What are the times representatives are available?***

40. **Describe your system security (e.g., encryption and on-line authentication).**

Accounting and Reporting

41. **Describe your accounting and reporting system.**
42. **Describe what format is used to report data (i.e., trade-date, settlement date or cash -basis).**
43. **What reports are provided as part of your standard custody package? Please provide examples of these reports. How are the monthly statements provided?**
44. **How frequently are they produced and how quickly are they distributed? How soon after the close of the month are statements available for accessing, downloading, and printing?**
45. **What optional reports are available with/without an extra fee? Please list and provide examples.**
46. **How are special requests handled? Is your system flexible enough to accommodate tailored reporting requirements? Would this require programming time or can it be accomplished at the desktop level.**
47. **Describe any unique features that your reporting package includes as it relates to standard master trustee accounting reports.**
48. **How do asset valuations and transactions statements reflect pending transactions?**
49. **How do asset statements reflect accrued items such as accrued income and expenses? Is the custodian able to calculate shareholder gain/loss using the cost basis method of client's choice? If so, is it available for all types of funds, i.e. securities, mutual funds, fixed income, international equities, etc?**

Securities Processing

50. **Which major depository and clearinghouse facilities are you a member of?**
51. **Describe your procedures for processing domestic and international settlements.**
52. **Does your accounting system accommodate options and futures trading?**
53. **Describe your proxy voting capabilities. What proxy services do you offer and what countries are they offered in?**
54. **Describe your systems and procedures for securing and providing clients with proxy information and voting their proxies for both U.S. and foreign corporations.**

55. ***Describe your systems, controls and capabilities to identify, track and manage class action litigation or settlement proposals for securities either currently held or previously owned and eligible for participation in such actions.***
56. ***Describe special procedures for the processing, valuing and reporting of real estate, alternative investments, private equity, venture capital and non-traditional assets.***

Procedures and Controls

57. ***Is there a general audit system in place? Does a major public accounting firm certify it? Discuss frequency and scope of review performed.***
58. ***Please describe the organizational structure of your internal audit department including the following:***
- ***Size of professional staff.***
 - ***Reporting relationship of Chief Internal Auditor.***
 - ***Adequacy of overall control environment over trustee/custody operations.***
 - ***Frequency and scope of audits performed over trustee/custody area by internal auditors.***
59. ***What is your system of quality control to ensure reporting accuracy?***
60. ***Describe your securities settlement and clearance procedures and systems.***
61. ***How long do you maintain client records post termination?***

Cash Management

62. ***Describe your investment vehicles used for your short-term investment fund.***
63. ***Is interest and dividend income reported on a cash or accrual basis?***
64. ***When does income become available for investment?***
65. ***How do you minimize the fail float impact?***
66. ***Are receipts and disbursements posted in immediately available funds?***

Benefit Payment

67. ***Can lump sum payments be easily made? What is your turnaround time?***
68. ***Do you provide direct deposit or electronic funds transfer?***

69. ***Does your benefit disbursement system make monthly deductions for Federal and State Income Tax withholding?***
70. ***Describe your on-line access capabilities for benefit payment services.***
71. ***Describe your procedure for processing lump sum distributions.***
72. ***Describe your procedure for processing monthly distributions.***
73. ***Describe your ability to electronically accept distribution and other instructions from the record keeper.***
74. ***Describe your process for determining Federal withholding amounts on distributions.***
75. ***Describe the outstanding distribution checks reports and reconciliation frequency. Do you provide a service to handle stale dated checks?***
76. ***How do you account for lost beneficiaries? How do you account for deceased beneficiaries?***
77. ***Do you have capabilities to include messaging & inserts from the company?***

Transition

78. ***Do you have a dedicated “conversion team? Please include a conversion plan and an outline of the process.***
79. ***What amount of lead-time is necessary to proceed with the conversion?***

Fees

80. ***Please submit a fee schedule for your organization’s custody services. Include a detailed itemized listing of all fees and charges that might be applied per the following general categories:***
 - a) ***Setup Fees***
 - b) ***Asset Based Fees***
 - c) ***Annual Account Charges***
 - d) ***Separate Account Fees (if added at a later date)***
 - e) ***Activity Charges***
 - ***Security Transaction***
 - ***Mutual Fund Transactions***
 - ***Wire Transfer Fees***
 - f) ***Other (please describe)***
81. ***How long would the proposed fee schedule be guaranteed for, provided there were no revisions in the type of services required?***

APPENDIX A

BIDDERS' INSTRUCTIONS

A. Presentations

Some bidders may be asked to give presentations and/or further explanations relative to their response to this RFP. In addition, the vendor awarded the contract may be required to make a presentation to the extent necessary to satisfy the Pension Board's requirements or needs.

B. Other Instructions

1. RESPONSE FORMAT

Questions should be answered according to the format of this RFP. Unanswered questions will be interpreted as negative answers.

2. CONFORMANCE TO INSTRUCTIONS

All responses to this RFP must conform to these instructions. Failure to follow the requested format may be considered appropriate cause for rejection of the response.

3. SEALED BIDS

Bids must be submitted in a sealed envelope or carton, clearly marked with the appropriate bid number, date, time of bid opening, and name and address of the bidder. Telegraphic and telephonic bids will not be accepted under any circumstances.

4. NUMBER AND SUBMISSION OF BIDS

Bids may be mailed or delivered in person according to the instructions in Item D of this RFP. Late bids will not be accepted and will be returned unopened to the bidder. Extensions will not be granted.

5. BID CLOSING DATE

Bids must be received and stamped not later than Friday, June 7, 2019, at 10:00 a.m. All bids will be opened at the stipulated time and place, and any bidder who wishes to attend is invited to do so.

6. BIDDERS' PRICES

Bidders are required to submit a separate price for each task listed in Number 80 above. An hourly rate and an estimate of the time required may be substituted at

the bidder's option, subject to the Board's concurrence that a fixed price is not feasible.

7. AUTHORIZED SIGNATURES

The proposal must be signed by an authorized official. The proposal must also provide the name, title, address and telephone number of individuals with authority to bind the company, and for those who may be contacted for the purpose of clarifying the information provided. A duly executed corporate resolution must be submitted as evidence of authorization to bind the company.

C. Terms and Conditions

1. RIGHTS RESERVED TO THE PENSION BOARD

The Pension Board reserves the right to award in part, to reject any and all Proposals in whole or in part, and to waive technical defects, irregularities and omissions if, in its judgment, the best interests of the Board will be served. The Board reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the contractor of the conditions contained in this Request for Proposal, unless clearly and specifically otherwise noted in the proposal submitted. Specific details of all proposals become public information upon their receipt and acceptance by the Board.

2. TERM AND RENEWAL

The Joplin Policemen's and Firemen's Pension Board seeks a contract period of five years, from January 1, 2020 through December 31, 2024.

3. STABILITY OF PROPOSED PRICES

Any price offerings from vendors must be valid for a period of 200 days from the due date of vendor Proposals.

4. ORAL AGREEMENTS

Any alleged oral agreement or arrangement made by a vendor with any agency or employee will be superseded by the written agreement.

5. AMENDING OR CANCELING REQUESTS

The Pension Board reserves the right to amend or cancel this RFP, prior to the due date and time, if it is in the best interests of the Board.

6. REJECTION FOR DEFAULT OR MISREPRESENTATION

The Pension Board reserves the right to reject the Proposal of any vendor which is in default of any prior contract or for misrepresentation.

7. REJECTION OF QUALIFIED PROPOSALS

Proposals are subject to rejection in whole or in part if they limit or modify any of the terms and conditions and/or specifications of the RFP.

8. VENDOR PRESENTATION OF SUPPORTING EVIDENCE

A vendor, if requested, must be prepared to present evidence of experience, ability, service facilities, and financial standing necessary to satisfactorily meet the requirements set forth or implied in the Proposal.

9. CHANGES TO PROPOSAL

No additions or changes to the original Proposal will be allowed after submittal. While changes are not permitted, clarification at the request of the Board may be required at the bidder's expense.

10. JOINT VENTURES

Several organizations may cooperate to submit a single proposal under which different organizations would fulfill different requirements, with one entity maintaining overall administrative responsibility.

11. SUBLETTING OR ASSIGNING OR CONTRACT

The contract or any portion thereof, or the work provided for therein, or the right, title, or interest of the contractor therein may not be sublet, sold, transferred, assigned or otherwise disposed of to any person, firm, or corporation without the written consent of the Board.

No person, firm or corporation other than the vendor to whom the project is awarded shall be permitted to commence work on the project unless such consent has been granted.

12. DOCUMENTS OF THE CONTRACT

Once a contract is awarded to the successful bidder, it is agreed, acknowledged, and accepted by the parties, that the original REP and its amendments; and the bidder's Proposal, along with any supporting documents, exhibits, etc.; shall become part of the contract award by reference since such documents clarify the intent and range of the Board's request, and establishes the qualifications, obligations, and responsibility of the contractor, i.e., the "successful bidder."

13. TERMINATION OR CONTRACTS AND CONTRACTOR LIABILITY

Contract awards generated as a result of this RFP may be terminated:

- A. By mutual agreement of the contracting parties to terminate, specifying the effective date and the terms of termination.
- B. The Pension Board may terminate the Contract at any time for any reason by giving one hundred twenty (120) days written notice.

Notwithstanding the above, the Contractor shall not be relieved of liability to the Pension Board for damages sustained by the Board by virtue of any breach of the Contract by the Contractor, and the Board may withhold any payments to the Contractor for the purpose of set-off until such time as the exact amount of damages due to the Board from the Contractor is determined.

14. COST FOR PROPOSAL PREPARATION

Any costs incurred by proposing contractors in preparing or submitting proposals are the proposing contractor's sole responsibility; the Board will not reimburse any proposing contractor for any costs incurred prior to the award.

15. PAYMENTS AGAINST A CONTRACT AWARD

Under no circumstances shall a selected Contractor begin to provide contractual services to the Pension Board prior to the start date indicated in an official, complete, and fully signed contract award document.

In no case shall a Contractor bill the Pension Board amounts in excess of the amount(s) indicated in the original contract award agreement. Any authorized or agreed additional charges can only be approved for payment against a properly executed and signed Contract Award Amendment.

Contractors will be paid in accordance with contract award amount(s) upon satisfactory completion of the contract, or in accordance with a specified progress payment schedule if applicable.