

CITY OF RANCHO PALOS VERDES REQUEST FOR QUALIFICATIONS

Retirement Plan Consultant

Analysis Of The Possible Alternatives To The City's Existing Pension Plan

INTRODUCTION

In this Request for Qualifications ("RFQ"), the City of Rancho Palos Verdes (the "CITY") is seeking a Retirement Plan Consultant ("Consultant") with significant experience and expertise serving California municipalities to provide expert municipal retirement plan advice and assistance in accordance with the direction established by the City Council at its meeting on November 4, 2010 as follows:

- 1) Directed that the City select and retain a retirement plan consulting firm to assist in the identification of feasible and viable alternative pension plans for new employees aimed at achieving cost controls; and,
- 2) Appointed a two-member City Council subcommittee consisting of Mayor Wolowicz and Mayor Pro Tem Long to: (a) work with City Staff in the selection of the consulting firm, (b) work with City Staff and the consultant in completing the analysis of the possible alternatives to the City's existing pension, and (c) by January 31, 2011 present the preliminary findings and recommendations for further study, as appropriate, to the City Council.

The CITY maintains one (1) Miscellaneous 2.5% at 55 Risk Pool Plan administrated by CalPERS (the CITY's "Pension Plan"). Certain pertinent benefit information follows:

Employer #	1020
Rate Plan #	1107
Social Security Coverage	No
Final Average Compensation Period	12 months
Sick Leave Credit	Yes
Non-Industrial Disability	Standard
Industrial Disability	No
Pre-Retirement Death Benefits:	
Optional Settlement 2w	Yes
1959 Survivor Benefit	Level 4
Post Retirement Death Benefits:	
Lump Sum	\$500
Survivor Allowance	No
COLA	2%
Employee Contributions:	
Contractual employee paid	No
Contractual Employee Cost Sharing	0%

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Time Schedule

RFQ available to prospective Proposers:	December 17, 2010
Final date for Proposal submission:	January 14, 2011
Interviews of Finalists:	January 26, 2011
Engagement Start Date:	January 31, 2011

MINIMUM QUALIFICATIONS

A proposing municipal pension consulting firm (a "Proposer") must meet all of the following Minimum Qualifications to the CITY's satisfaction to be given further consideration. The Proposer must complete the Minimum Qualification Certification (Attachment 1) substantiating that the Proposer satisfies all Minimum Qualifications and requirements. Failure to satisfy each of the Minimum Qualifications may result in the immediate rejection of the proposal.

- 1) The Proposer currently must have at least five (5) California municipalities with defined benefit public pension plans for which the Proposer provides advice and consulting services.
- 2) The Proposer must have been in general pension fund consulting business serving California municipalities for at least five (5) years.
- 3) The Proposer's primary consultant assigned to the CITY must have a minimum of three (3) years of general municipal pension fund consulting experience and must have been employed by Proposer for at least one (1) year serving California municipalities.
- 4) The Proposer must be directly responsible for the management of the account, and all personnel responsible for the account must be employees of the firm.
- 5) The Proposer must not have, nor potentially have, a material conflict of interest with the CITY, including, but not limited to, any member of the City Council, City staff, its auditor (Diehl Evans & Company), investment manager(s) (Magis Advisors) or other consultant(s).
- 6) The Proposer must provide references of municipalities that can be verified.

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MINIMUM INSURANCE REQUIREMENTS

The selected Consultant must carry the following insurance coverage or must have applied for it by the submission date of the RFQ:

Commercial General Liability Insurance

Minimum limits of one million dollars (\$1,000,000) for each occurrence and two million dollars (\$2,000,000) in the aggregate, combined single limit, for bodily injury, death, loss or property damage resulting from the activities undertaken by the selected Consultant;

Professional Liability

Minimum limit of one million dollars (\$1,000,000) per claim and in the aggregate. Said policy or policies shall be issued by an insurer admitted to do business in the State of California and rated in A.M. Best's Insurance Guide with a rating of A:VII or better;

Automobile Liability

Minimum of two million dollars (\$2,000,000) in the aggregate, combined single limit for bodily injuries or death of one person and \$500,000 property damage arising from one incident, which policy or policies shall cover hired autos and non-owned autos of the selected Consultant; and

Workers Compensation

The selected Consultant shall maintain workers compensation insurance in force at all times during the performance of work as required by the law.

At all times during the term of this Agreement, the selected Consultant shall maintain on file with the CITY Clerk certificates of insurance showing that the aforesaid policies are in effect in the required amounts. All Minimum Qualifications must be met by November 12, 2010.

INFORMATION AND REQUIREMENTS

Previous Contact and Marketing Cessation Policy

The purpose of this policy is to prevent, and avoid the appearance of, undue influence on the City Council, and/or its ad-hoc sub-committee and Staff, in the selection of the Consultant for any services associated with this RFQ and the direction of the City Council on November 4, 2010.

Notification of this policy will be sent to all Proposers considered by the CITY, the City Council, and/or its ad-hoc sub-committee and Staff pursuant to the City Council's

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direction on November 4, 2010. From the time the potential candidates are notified until the search ends and the engagement is awarded, all direct marketing contact by Proposers that are potential candidates for the award of the engagement will be limited to communications and meetings with City staff and the Council Sub-Committee Members as set forth in the solicitation, and to meetings at the request of the Proposer, information (other than enhancements to proposals or bids) sent to the Proposer or the CITY, written questions about the search directed to the Staff or Proposer, and one meeting with each potential firm as determined by the ad-hoc subcommittee of the City Council. In addition to all other applicable gift restrictions, Council members and Staff will accept no entertainment or gifts of any kind from any firm that is a potential candidate for award of the engagement.

Firms that are invited to interview with the ad-hoc subcommittee will be required to submit a statement listing all contacts with Council members, Staff and Proposers during the search period and compliance with the restrictions set forth in the preceding paragraph. Firms that are invited to interview with the ad-hoc subcommittee will also be required to submit a statement listing all previous work competed for the City and/or pension related advice previously provided to the Council members and/or Staff. Any violation of this policy shall result in automatic disqualification of the firm involved.

General Requirements

All proposals must comply with the requirements and specifications of this RFQ:

Conditions

If the CITY is unable to agree to terms and conditions with the Proposer first selected to negotiate with or if the Proposer has not fulfilled all conditions of the RFQ at the time of final selection and retention, the CITY reserves the right to terminate negotiations with that Proposer without undertaking another RFQ process, therefore enabling the CITY to negotiate with another Proposer.

Withdrawal of RFQ

The CITY reserves the right to cancel this RFQ at any time, and to reject any and all proposals submitted in response to this RFQ, if the CITY determines such action or actions are in its best interest.

Proposal Applicability

To allow sufficient time for negotiation, all prices and conditions stated in the proposal must be binding on the Proposer for a period of ninety (90) days from the deadline for submission of proposals.

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Legal Review

The CITY expects that all Proposers will agree to be bound by the terms and conditions articulated in this RFQ. For this reason, it is strongly recommended that Proposers have the terms and conditions contained herein reviewed with their respective corporate counsel and that any Proposer concerns be brought to the CITY's attention immediately.

Governing Law

This procurement and any engagement with selected Consultant that may result shall be governed by the laws of the City of Rancho Palos Verdes and the State of California. Submission of a proposal constitutes acceptance of this condition.

Basis for Proposal

Preparation of proposals should be responsive-specific only to questions asked in the RFQ and consistent with the instructions provided in the RFQ.

Proposer Qualification

The CITY may make such inquiries as necessary to determine the ability of the Proposer to complete the scope of services described in this RFQ to the complete satisfaction of the CITY. The CITY reserves the right to reject the proposal of any Proposer for whatever reason it unilaterally deems in the CITY's best interest.

Fair Employment Practices/Equal Opportunity Acts

In the performance of this engagement, selected Consultant shall comply with all applicable provisions of the California Fair Employment Practices Act (California Government Code Sections 12940-48) and the applicable equal employment provisions of the Civil Rights Act of 1964 (42 U.S.C. 200e-217), and the Americans with Disabilities Act of 1992 (42 U.S.C. § 11200, et seq.).

Non-Discrimination

Selected Consultant shall not discriminate in the employment of persons engaged in the performance of this engagement on account of race, color, national origin, ancestry, religion, sex, marital status, physical handicap, or medical condition, in violation of any federal or state law.

Terms of Compensation

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The selected Consultant will submit invoices monthly for the percentage of work completed in the previous month. CITY agrees to pay all undisputed invoice amounts within thirty (30) days of receipt of the invoice. CITY agrees to use its best efforts to notify selected Consultant of any disputed invoice amounts or claimed completion percentages within ten (10) days of the receipt of each invoice. However, CITY's failure to timely notify selected Consultant or of a disputed amount of claimed completion percentage shall not be deemed a waiver of CITY's right to challenge such amount or percentage.

Independent Contractor

The selected Consultant is and shall at all times remain, as to the CITY, a wholly independent contractor. Neither the CITY nor any of its agents shall have control over the conduct of the selected Consultant or any of the selected Consultant's employees, except as herein set forth. The selected Consultant expressly warrants not to, at any time or in any manner, represent that it, or any of its agents, servants or employees, are in any manner agents, servants or employees of CITY, it being distinctly understood that the selected Consultant is, and shall at all times remain to City, a wholly independent contractor and Consultant's obligations to City are solely such as are prescribed by this RFQ.

Assignment

This Agreement shall not be assignable by either party without the prior written consent of the other party.

Notwithstanding the above and with the written consent of the CITY, the selected Consultant may use the services of persons and entities not in selected Consultant's direct employ, when it is appropriate and customary to do so.

Cost Of Preparation Of RFQ

The CITY will not pay any costs borne by the Proposer in the preparation of its Proposal, including the costs of printing, demonstrations, negotiations, travel, lodging or other related expenses. All costs for the preparation of the Proposal, including, but not limited to those described above, shall be the responsibility of the Proposer.

Notification Of Withdrawal Of RFQ

Proposals may be modified or withdrawn by written notice by an authorized representative of the Proposer delivered to the CITY prior to the final due date and time specified for Proposal submission.

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Right To Reject

The City reserves the right to reject any and all Proposals or any part of any Proposal, to waive minor defects or technicalities, or to solicit new bids on the same project or on a modified project which may include portions of the originally proposed project as the CITY may deem in its best interest. The CITY will not be obligated to select the Consultant solely on the basis of any response made to this RFQ.

Exceptions To The RFQ

The format of the RFQ must be followed and all requested information must be submitted as indicated. Proposers must address each of the required sections of this Request for Qualifications. Completeness, clarity and brevity are stressed in the RFQ proposal binders. The CITY is receptive to any additional suggestions pertaining to the Scope of Services, or any alternative methods of completing the work product as described in the RFQ. Any exceptions to the RFQ terms and conditions must be included in writing in the Proposal.

Interpretations And Addendum

Any Proposer may request a clarification in writing from the City. No interpretation made to any Proposer as to the meaning of the RFQ shall be binding on the CITY unless repeated in writing and distributed as an addendum by the CITY to all potential Proposers. Responses to requests for interpretations and/or clarification shall be provided in writing by the CITY.

Submission Requirements

The content and sequence of the proposal will be as follows:

Title for cover page: "RFQ for General Pension Fund Consultant".

Table of Contents

Immediately following the cover page, there must be a comprehensive Table of Contents of the material included in the proposal. The Table of Contents must clearly identify the proposal section/subsection and the applicable page numbers.

Letter of Transmittal

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A letter of transmittal must be included in the Proposal submitted by the Proposer pursuant to the RFQ and placed as the first page of the Proposal. The letter of transmittal must:

- identify the submitting organization;
- identify the names, titles, telephone and fax numbers, and e-mail addresses of persons to be contacted for clarification;
- Tax ID number;
- certify that your firm has fully complied with all provisions of the RFQ and that all statements are true and accurate, and that the firm has not knowingly made any false or misleading statements in its proposal; and
- be signed by a person authorized to contractually obligate the organization.

Hard Copy .

Seven (7) hard copies of the proposal shall be submitted. The name of the firm shall be placed on the front cover with "General Pension Fund Consultant RFQ".

Word (or PDF) Electronic Versions

In addition to the hard copy responses of the proposal, please provide the proposal and the responses in Microsoft Word (or PDF).

Deadline

All seven (7) completed and fully signed copies of the final proposals must be received at the CITY office by 5PM (PT) on November 29, 2010 addressed to:

City of Rancho Palos Verdes
30940Hawthorne
Rancho Palos Verdes, CA 90275

Attention: Eric Mausser, Human Resource Manager

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ATTACHMENT 1 MINIMUM QUALIFICATIONS CERTIFICATION

Proposer Firm Name

The Proposer must substantiate that the firm satisfies all of the Minimum Qualifications stated within this RFQ, to the CITY satisfaction, to be given further consideration. The statement must contain sufficient information as prescribed to assure the CITY of its accuracy. Failure to satisfy each of the Minimum Qualifications, based on the CITY's sole judgment, will result in the immediate rejection of the Proposal.

The Proposer must complete all of the Minimum Qualification statements listed below before signing. The signature of the authorized representative of the Proposer warrants that the Proposer has met all of the Minimum Qualifications.

The Proposer currently provides consulting services to at least five (5) California municipalities regarding defined benefit public pension plans.

Yes / No

The Proposer has been in general pension fund consulting business serving California municipalities for at least five (5) years.

Yes / No

The Proposer's primary professional consultant assigned to the CITY has a minimum of three (3) years of general municipal pension fund consulting experience and must have been employed by the Proposer for at least one (1) year to provide pension consulting services to California municipalities.

Yes / No

The Proposer shall be directly responsible for the management of the account, and all personnel responsible for the account must be employees of the firm.

Yes / No

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The Proposer does not have, nor potentially have, a material conflict of interest with the City including, but not limited to, any member of the City Council, City staff, its auditor (Diehl Evans & Company), investment manager(s) (Magis Advisors) or other consultant(s).

Yes / No

The selected Consultant carries the insurance coverage required by the RFQ.

Yes / No

Authorized Signature

Print or Type Name

Title

Date

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ATTACHMENT 3 WARRANTIES

Proposer Firm Name

Proposer agrees to the incorporation of the following warranties in a proposed engagement:

Proposer warrants that it maintains or will obtain, at its expense prior to engagement, required insurance policy as stated herein for negligent acts or omissions and that such coverage is applicable.

Proposer warrants all information and statements in this RFQ are complete and true. Any statement or claim found to be incomplete, misleading, or false will be grounds for immediate disqualification or dismissal and may be subject to legal action.

Proposer warrants this proposal is genuine, and not sham or collusive, nor made in the interest or on behalf of any person not named therein; the proposer has not directly or indirectly induced or solicited any other proposer to put in a sham bid, or any other person, firm or corporation to refrain from submitting a proposal, and the Proposer has not in any manner sought by collusion to secure for themselves an advantage over any other proposer.

Authorized Signature

Print or Type Name

Title

Date

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ATTACHMENT 4 SCOPE OF SERVICES

The scope of services is based upon the direction established by the City Council at its meeting on November 4, 2010 as follows:

- 1) Directed that the City select and retain a retirement plan consulting firm to assist in the identification of feasible and viable alternative pension plans for new employees aimed at achieving cost controls; and,

- 2) Appointed a two-member City Council subcommittee consisting of Mayor Wolowicz and Mayor Pro Tem Long to: (a) work with City Staff in the selection of the consulting firm, (b) work with City Staff and the consultant in completing the analysis of the possible alternatives to the City's existing pension, and (c) by January 31, 2011 present the preliminary findings and recommendations for further study, as appropriate, to the City Council.

Task 1:

Analysis Of The CITY's Existing Pension Plan And Identify Feasible And Viable Alternative Pension Plans For New Employees Aimed At Achieving Cost Controls

The selected Consultant is expected to perform an analysis of the CITY's existing pension plan and identify feasible and viable alternative pension plans for new employees aimed at achieving cost controls. The selected Consultant shall work with the subcommittee and Staff in completing the analysis of the possible alternatives to the City's existing pension. The selected Consultant shall present the preliminary findings and recommendations for further study, as appropriate, to the City Council by January 31, 2011.

It is expected that the selected Consultant will meet in person or by conference call with the subcommittee and Staff at least three times prior to making a presentation of preliminary findings to the City Council. It is expected that the preliminary findings shall be written in a report to the City Council, accompanied by a Powerpoint presentation to be made to the City Council at one of its regular meetings in January 2011.

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ATTACHMENT 5 FEE PROPOSAL

Proposer Firm Name

Subject to advance approval by the CITY, the CITY shall reimburse the selected Consultant for reasonable travel costs incurred, including airfare, transportation, lodging and meals in conjunction with attending local meetings in the performance of the engagement. Consultant shall furnish the CITY with evidence of such costs incurred along with written request for reimbursement. The selected Consultant shall be solely responsible for incidental costs, including but not limited to, printing, clerical support in delivery of services and the production of written reports.

Because of the uncertainty of the time that may be required to fulfill the engagement by the selected Consultant, each Proposer shall provide its Fee Proposal based upon the details of the hourly rates and estimated time incurred for services performed by Proposer's personnel as follows:

Personnel	Hourly Rate	Estimated No. Hours	Total
TOTAL			

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ATTACHMENT 6 QUESTIONNAIRE

Organization

Provide the address of the office that will service this account.

Give a brief history of your firm's involvement in the consulting business, including the year of organization. As of December 31, 2009, how many years has your firm provided **general** pension fund consulting services regarding defined benefit public pension plans?

Please indicate whether your firm is a registered investment advisor under the Investment Advisor Act of 1940 and whether your firm functions as a fiduciary.

What are your firm's consulting specialties and strengths?

What differentiates your firm from your competitors?

What are your firm's limitations?

Clients

Please list the number of defined benefit public pension plan clients that the firm has serviced in each respective year:

	12/31/09	12/31/08	12/31/07	12/31/06	12/31/05
No. of clients					

Please provide a listing of clients that may be used as reference checks:

Name of Client	Contact	Contact Number

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Standards of Conduct

Disclose any relationship you have or have had with any City Council members, consultants, or CITY employees. If there are no conflicts of interest, please state, "There are no conflicts of interest to report." Briefly describe your philosophy relating to the selected Consultant's relationship with Council members and staff.

Disclose any gifts (meals, tickets, anything of value over \$50, etc.) that you have given to any City Council member, consultants, or CITY employee in the last 12 months. If 'Yes', please disclose them using "Gift Disclosure Form."

For the past 10 years, has the firm, its officers or principals or any affiliate ever:

- a. been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self regulatory body or organization,
- b. settled any litigation concerning breach of fiduciary responsibility or other investment related matters, or
- c. submitted a claim to your error & omission, fiduciary liability and/or fidelity bond insurance carrier(s)?

If 'yes', please provide details and the current status of proceedings.

Has the firm adopted the CFA Code of Ethics and Standards of Professional Conduct?

If so, how is employee compliance monitored?

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Third Party Marketing and Referrals Disclosure Form

Proposer Firm Name

No	Names of Organizations, Name of Principals, and Address	Fees (US\$) ¹

¹ For "other considerations" reward, please indicate the estimated monetary value (US\$)

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Gift Disclosure Form

Proposer Firm Name

No.	Date (mm/dd/yy)	Given to	Description of Gifts ¹	Value (US\$)

¹ Gifts could be in the form of meals, tickets, paid travel, anything of value over \$50, etc.