

**REQUEST FOR PROPOSAL  
Pension Investment Services**

**for  
The Lansing Entertainment &  
Public Facilities Authority**



November 27, 2017

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## **REQUEST FOR PROPOSAL Pension Investment Services**

### **LANSING ENTERTAINMENT & PUBLIC FACILITIES AUTHORITY**

#### **Background:**

The Lansing Entertainment & Public Facilities Authority (LEPFA) is an independent agency of the City of Lansing, governed by a nine-member regional Board of Commissioners. LEPFA pursues its business with an emphasis on creating positive economic impact for the region from the facilities and events that it manages. LEPFA was created as a nonprofit authority in 1995 with a 20 year operating agreement with the City of Lansing, to manage, which was renewed in January 2017 for an additional 10 years:

◆ **The Lansing Center** – greater Lansing's premier convention, trade show, gate show, meeting & banquet facility that is situated in downtown Lansing along the Grand River. With its convenient, central location, the Lansing Center has quickly become a regional magnet that has grown to house more than 400 events annually. The facility attracts an average of 300,000 visitors, with approximately 24,000 room nights equating to an economic impact of nearly \$63 million annually.

◆ **Cooley Law School Stadium** – home of the Lansing Lugnuts, the Class A Midwest League affiliate of Major League Baseball's Toronto Blue Jays. LEPFA administers the City of Lansing's contract with the team and produces numerous other special events throughout the year at the stadium. This includes concerts, other baseball games featuring local high schools and Michigan State University, and community events. Cooley Law School Stadium has become a model within the industry for not only its successful multi-use operation, but also the role it plays in Lansing's downtown re-development process.

◆ **The Lansing City Market** – a Lansing tradition since 1938 at the current location downtown. While originally developed as a farmers-market style operation primarily, the City Market has evolved into a unique collection of quality vendors selling a diverse array of products. From cheese and produce to jewelry, flowers and plants, to arts and crafts and candles, and restaurant.

LEPFA is also the co-founder and producer of Lansing's premier summer festival, **Common Ground** – an annual music festival in July. Common Ground features a dynamic gathering of music, food, and outdoor fun activities with a focus on top-shelf, national music entertainment. The festival attracts nearly 60,000 people annually and provides an estimated economic impact of nearly \$4 million to the region. LEPFA also is involved in or produces many regional events such as the BWL Chili Cook Off, The Grand Concert Series, Silver Bells in the City, and many more! LEPFA is also contracted to take over operations of the **Groesbeck Golf Course**, Lansing's most prized and last remaining municipal golf course effective January, 2018.

#### **RFP Objective:**

LEPFA is requesting proposals from qualified Financial Institutions to become a partner in providing investment services for the Authority's qualified and non-qualified 457 Plans. This Request for Proposal is an invitation to qualified and interested institutions to submit proposals for this service, as outlined in the Scope of Work section that follows.

**General Instructions & Conditions:**

It is LEPFA's desire to select a Financial Organization that will provide the best overall value on a long-term relationship basis rather than simply choosing the "low bidder." Accordingly, in addition to pricing, other factors will be considered including, but not limited to: availability of value-added service enhancements, availability and commitment to implementing new technologies, cost and creative implementation, local presence, financial strength, and experience.

LEPFA reserves the right to waive any informalities or irregularities in any proposal and to reject any or all proposals.

LEPFA reserves the right to reject a financial organization which, in its opinion, does not meet the desired standards by offering a full range of direct services, financial strength, and stability.

LEPFA reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal is accepted.

It is the intent of this RFP to solicit ideas on strengthening our investment activities to provide greater efficiency in managing investment opportunities. It is LEPFA's desire to maximize return on investment while maintaining compliance with applicable State of Michigan and federal laws and regulations as well as LEPFA's investment policy (attached). Providers are encouraged to outline alternatives to LEPFA's investment structure which may provide additional flexibility, return on investment and costs savings relative to fees. Instead of preparing detailed specifications describing our needs, we are looking for proposals from experienced professionals that will be the basis of a future relationship. General items we are looking for:

- ◆ Additional value-added services/technologies available that LEPFA may not be taking advantage of;
- ◆ How your institution differentiates itself from the others; and,
- ◆ Your plan for providing LEPFA with the best overall value in investment services.

**Submission of Proposals:**

LEPFA will only consider financial organizations that can clearly demonstrate the ability to provide all of the services outlined below and/or have a history of providing such services to a similar organization to LEPFA. Greater consideration will be given to firms with the capability of managing a 457-pension fund or similar.

Proposals should include the following:

**1. Title Page**

A title page showing the firm name, address and telephone number of a bank contact person.

**2. Transmittal Letter**

A signed transmittal letter stating the following:

- ◆ Bidders understanding of the services to be provided; a statement why the firm believes it is the best qualified to provide the services
- ◆ A statement that the proposal is firm for ninety (90) days
- ◆ A statement acknowledging acceptance of the conditions contained in the request for proposal, unless clearly and specifically noted in the proposal submitted.

**3. General Financial Organization Information**

- ◆ List the names, titles, telephone numbers, email address and brief biographies of investment contact personnel.
- ◆ Identify the location of offices in the area along with any other appropriate information about the locations.
- ◆ Include a copy of the most recent audited annual financial report.
- ◆ Include a copy of any independent rating service report that summarizes your organization's financial strength.

**4. References**

Three references, including contact names and phone numbers, of clients with similar or parallel investment services provided by your company to a similar size and structure organization as LEPFA.

**5. Pricing Proposal**

An "Account Maintenance" area should consist of the structure you propose for managing LEPFA's accounts.

- ◆ Provide the appropriate volume and related fees.
- ◆ Provide a pricing schedule for all the services detailed in your proposal.
- ◆ Include any one-time or set-up charges, and all other fees that will be charged.
- ◆ List all fee/cost options and recommended type.

**6. Funds Management**

Provide a detailed explanation of your Funds Management Department and its operations. Include all relevant services that might be able to assist LEPFA in managing its current investment portfolio. Include any preferential rate advantages for your member accounts.

**7. On-Line Investment Services**

Provide a detailed explanation of your on-line and/or app services for the employer and the employee. Include information that explains how your product(s) work, all the options available and any fees that apply.

**8. Other Services and Information**

- ◆ Provide any additional information that you believe to be relevant to this RFP and your capabilities to provide the services required.
- ◆ Provide a detailed timeline and transition plan for converting pension funds, including appropriate fees and proposed management plan.
- ◆ Provide any additional fee structure, if applicable, for investment services as outlined in the Scope of Work section in this RFP.

**Scope of Work:**

**General Requirements:**

It is desired that the Organization have the ability to provide the following services:

- ◆ Ability to manage LEPFA's Pension accounts, which are "457" accounts. **Accounts cannot be converted to 401K accounts.**
- ◆ Organization should have the ability to do all of the plan administration, including withholding and processing the payment of taxes from distributions and all Plan recordkeeping, including year-end participant statements.
- ◆ Organization should have the ability to provide education for employees to increase their understanding of the process for employees managing their own funds. Currently the employees manage their own funds based on selected fund options through the enrollment form.
- ◆ Higher priority may be given to organizations having the ability to serve as trustee for the accounts.
- ◆ Please submit a detailed plan for the administration of the funds, including a plan for transition of the accounts to your organization.
- ◆ Employees are currently receiving quarterly reports and have the ability to view their accounts on-line. These services should be maintained or enhanced. Further education may be needed for use of the on-line system and/or app services.

**Pension Account Information**

LEPFA Pension Plans are:

1. Savings Plan: Non-qualified, deferred compensation 457 plan.  
Employee deferred compensation valued at \$2.1 million-

**Employee Deferred Comp Account**—Contributions by employees in excess of the minimum of 7½% of qualified wages are deposited in this account. Contributions are forwarded to the financial institution on a weekly basis.

2. Thrift Plan: Qualified 457  
Plan valued at \$5.8 million

**Employee Deferred Comp Account –Thrift Plan** Employees must contribute a minimum of 7½% of qualified wages. Contributions are forwarded to the financial institution on a weekly basis.

**Employer Contributions** – Employer contributes 12% of qualified wages. Contributions are forwarded to the financial institution on a weekly basis.

**Total Pension Plan Value: \$8.0 million**

**Average annual contributions previous five plan years: approx. \$400,000**

**Terms & Conditions:**

1. The successful investment partner for LEPFA will be guaranteed exclusivity within the financial business category for the term of the partnership.
2. The partnership will be contracted for a term of three (3) years, or 36 months from the date of signature between partners.
3. LEPFA offers a wide variety of sponsorship opportunities within its managed properties and special events. Examples include signage in the Lansing Center and Cooley Law School Stadium, exposure at the Common Ground Music Festival and branding opportunities with other events. Respondents to this RFP that give financial consideration or support for LEPFA managed properties and/or events may be given higher priority in the selection process.

**Selection Criteria and General Information:**

In determining the successful Investment Partner for LEPFA, the following criteria will be considered:

1. The credibility of the procedures and process proposed to accomplish all of the services requested
2. The experience of the institution in providing similar services
3. The experience of the staff assigned as LEPFA's account
4. The proposed total fees and fee process for the Scope of Work outlined
5. The proposer's willingness to partner on LEPFA sponsored promotions and/or events (See item 3 above)

**Evaluation Process**

The LEPFA President & CEO and the Vice President of Finance/CFO or another LEPFA authorized individual or committee, may, at its discretion, request a meeting with respondents to clarify or negotiate modifications to proposals. However, LEPFA reserves the right to award the contract without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both service and fee standpoints. LEPFA also reserves the right to reject any and all proposals received in response to this RFP.

**Mandatory Pre-Proposal Conference**

A pre-proposal conference will be held at Monday, December 11<sup>th</sup>, 4pm in the Lansing Center Board Room # 2 located 2<sup>nd</sup> Floor of the Lansing Center. The Lansing Center is located at 333 E. Michigan Ave., Lansing, MI 48933.

If you require specific directions, please see the Lansing Center website (<http://www.lansingcenter.com/>) or call 517-483-7400. ***All potential bidders are required to attend the conference, tour of facilities are optional.***

**Bid Due Date and Location**

Bid submittals are due by Friday, December 22, 2017, 3pm at the following location:

**Lansing Entertainment and Public Facilities Authority  
C/O Pension Investment Services  
333 E. Michigan Ave.  
Lansing, MI 48933**

**Please submit any questions for the pre-proposal conference via e-mail by: December 8, 2017 at 10am.**

**All questions will be answered in writing at the pre-proposal conference.**

Late proposals will not be accepted and the envelope must be marked referencing the project. Proposers must supply five (5) copies of their Bid.

**Department Contact / Requests for Clarification**

Prospective responders may only direct questions in writing to:

Lansing Center  
Vice President of Finance  
333 E. Michigan Ave.  
Lansing, MI 48933  
E-mail: Jennifer2@lepfa.com

The department contact person is the only individual who can be contacted about the project by bidders before bids are submitted.

**General Requirements**

The General Requirements are terms and conditions that LEPFA expects all of its Contractors to meet. By responding to this Request, the Contractor agrees to be bound by these requirements unless the Contractor and LEPFA negotiate alternative language.

1. **LEPFA's Rights**

LEPFA reserves the right to reject any or all proposals or parts of proposals, to accept part or all of proposals on the basis of considerations other than lowest cost, and to create a project of lesser or greater expense and reimbursement than described in either this Request for Proposals or the proposals.

2. **Interest of Members of LEPFA**

The Contractor agrees that no member of the governing body, officer, employee or agent of LEPFA or the City of Lansing shall have any interest, financial or otherwise, direct or indirect, in the Contract.



3. Equal Opportunity Statement

The Contractor agrees to comply with the provisions of all applicable federal, state and City of Lansing statutes, ordinances and regulations pertaining to civil rights and nondiscrimination.

4. Non-Discrimination

The Contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, gender, genetic, pregnancy, sexual orientation, sex, national origin, disability, age, marital status, height, weight or any other characteristic protected by applicable law. Such prohibition against discrimination shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, and selection for training, including apprenticeship.

5. Transfer of Interest

The Contractor shall not assign any interest in the Contract, and shall not transfer any interest in the same either by assignment or notation without the prior written approval of LEPFA, provided, however, that claims for money due or to income due to the Contractor may be assigned to a bank, trust company or other financial institution, or to a Trustee in Bankruptcy without such approval. Notice of any such assignment or transfer shall be furnished to LEPFA. The Contractor shall not subcontract any services under this Contract without prior approval of LEPFA's Vice President of Finance.

6. General Compliance

The Contractor agrees to comply with all applicable Federal, State and local laws and regulations governing funds provided under this Contract.

7. Performance Monitoring

LEPFA will monitor the performance of the Contractor against goals and performance standards required herein. Substandard performance as determined by LEPFA will constitute non-compliance with this agreement. If action to correct such substandard performance is not taken by the Contractor within three (3) business days after being notified by LEPFA, this Contract may be terminated. All work submitted by Contractor shall be subject to the approval and acceptance by LEPFA.

8. Independent Contractor Status

Nothing contained in the Contract is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Contractor shall at all times remain an independent contractor with respect to the services to be performed under this Contract. Any and all employees of Contractor or other persons engaged in the performance of any work or services required by Contractor under this Contract shall be considered employees or sub-contractors of the

Contractor only and not of LEPFA; and any and all claims that might arise, including Workers' Compensation claims under the Workers' Compensation Act of the State of Michigan or any other state, on behalf of said employees or other persons while engaged in any of the work or services provided to be rendered herein, shall be the sole obligation and responsibility of Contractor.

9. Hold Harmless

The Contractor agrees to defend, indemnify and hold harmless LEPFA, the City of Lansing, its officers and employees, from any liabilities, claims, damages, costs, judgments, and expenses, including attorney's fees, resulting directly or indirectly from an act or omission of the Contractor, its employees, its agents, or employees of subcontractors, in the performance of the services provided by this Contract or by reason of the failure of the Contractor to fully perform, in any respect, any of its obligations under this Contract.

10. Accounting Standards

The Contractor agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by generally accepted accounting practices to properly account for expenses incurred under this Contract.

11. Retention of Records

The Contractor shall retain all records pertinent to expenditures incurred under this Contract for a period of three years after the resolution of all audit findings. Records for non-expendable property acquired with funds under this Contract shall be retained for three years after final disposition of such property.

12. Inspection of Records

All Contractor records with respect to any matters covered by the Contract shall be made available to LEPFA or its designees at any time during normal business hours, as often as LEPFA deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data.

13. Applicable Law

The laws of the State of Michigan shall govern all interpretations of this Contract, and the appropriate venue and jurisdiction for any litigation which may arise hereunder will be in those courts located within the County of Ingham, State of Michigan, regardless of the place of business, residence or incorporation of the Contractor.

14. Conflict and Priority

In the event that a conflict is found between provisions in this Contract, the Contractor's Proposal or LEPFA's Request for Proposals, the provisions in the following rank order shall take precedence: 1) Contract; 2) Proposal; and 3) Request for Proposals.

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15. Ownership of Materials

All finished or unfinished documents, data, reports or other materials resulting from this Contract shall become the property of LEPFA. LEPFA may use, extend, or enlarge any document produced under this Contract without the consent, permission of, or further compensation to the Contractor.

16. Termination

LEPFA may cancel this Contract for any reason without cause upon thirty (30) days written notice, except that if either party fails to fulfill its obligations under the Contract in a proper and timely manner, or otherwise violates the terms of this Contract, the other party shall have the right to terminate this Contract, if the default has not been cured after a ten (10) days written notice has been provided. If termination shall be without cause, LEPFA shall pay Contractor all compensation earned to the date of termination. If the termination shall be for breach of this Contract by Contractor, LEPFA shall pay Contractor all compensation earned prior to the date of termination minus any damages and costs incurred by LEPFA as a result of the breach. If the Contract is canceled or terminated, all finished or unfinished documents, data, reports or other materials prepared by the Contractor under the Contract shall, at the option of LEPFA, become the property of LEPFA, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

Notwithstanding the above, the Contractor shall not be relieved of liability to LEPFA for damages sustained by LEPFA or the City of Lansing as a result of any breach of this Contract by the Contractor. LEPFA may, in such event, withhold payments due to the Contractor for the purpose of set-off until such time as the exact amount of damages due to LEPFA is determined. The rights or remedies provided for herein shall not limit LEPFA, in case of any default by the Contractor, from asserting any other right or remedy allowed by law, equity, or by statute.

Site Visits

Proposers interested in touring the facility/facilities may visit in reference to the **Pension Investment Services Project**, but are prohibited from interviewing staff or other visitors at that location in any effort to obtain information relating to this Bid. All visits must be scheduled in advance with the Vice President of Finance. Failure to follow these requirements could result in the rejection of the proposal.