

**City of Ann Arbor  
Employees' Retirement System**

**&**

**Retiree Health Care  
Benefit Plan & Trust**

**REQUEST FOR PROPOSALS**

Legal Advisor for the  
City of Ann Arbor Employees' Retirement System  
& Retiree Health Care Benefit Plan & Trust

**RFP Issue Date:** February 16, 2024

**Questions Due to Retirement System:** March 6, 2024

**Proposals Due to Retirement System:** March 28, 2024

**Anticipated Date for Finalist Interviews:** May 16, 2024

## REQUEST FOR PROPOSAL

### City of Ann Arbor Employees' Retirement System & Retiree Health Care Benefit Plan & Trust

The Board of Trustees ("Board") for the City of Ann Arbor Employees' Retirement System (CAAERS) and Retiree Health Care Benefit Plan & Trust intend to secure a contract for legal services. The purpose of this Request for Proposal (RFP) is to define the Board's minimum requirements and solicit proposals from which the Board may evaluate such services.

Proposals must be received by the City of Ann Arbor Employees' Retirement System, at 532 S. Maple Rd. Ann Arbor, MI 48103 until 4:00 p.m. (Eastern Standard Time) on March 28, 2024. **Late proposals may not be accepted.**

Proposals (RFP) including general information, scope of work, terms and conditions, and required format for information is available by calling or emailing:

Name: Wendy Orcutt, Executive Director

Address: City of Ann Arbor  
Employees' Retirement System  
532 S. Maple Rd.  
Ann Arbor, MI 48103

Telephone: (734) 794-6710 Fax: (734) 994-9205

Email : worcutt@a2gov.org

### **Response Requirements**

Six (6) paper copies of the RFP, and a copy sent electronically, must be received by CAAERS no later than March 28, 2024 at 4:00 p.m. E.S.T. Proposals received after the date and time specified therein may not be considered. Providers accept all risks of late delivery of mailed RFPs regardless of fault. Facsimiles will not be considered. All RFPs and accompanying documentation will become the property of CAAERS and will not be returned.

**City of Ann Arbor Employees' Retirement System**

**LEGAL ADVISOR  
Request for Proposal**

**TABLE OF CONTENTS**

<b><u>Description</u></b>	<b><u>Page</u></b>
Section 1      General Information	4
Section 2      Qualifications / Scope of Work	6
Section 3      Statement of Qualifications	12
Attachment:	
• Attachment I - Statement of Qualifications Checklist	13

## **Section 1 - General Information**

### **A. Description of the System**

The City of Ann Arbor Employees' Retirement System ("Retirement System") is a hybrid type retirement plan consisting of both a defined benefit component and defined contribution (401a) component. Retirement System membership consists of approximately 728 active and 1282 retired members and has total assets of over \$600,000,000 as of 1/1/2024.

The City of Ann Arbor Retiree Health Care Benefit Plan & Trust consists of approximately 728 active and 1123 retired members and has assets of over \$255,000,000 as of 1/1/2024.

The Board of Trustees are responsible for oversight of the City of Ann Arbor 457 Deferred Compensation Plan and the City of Ann Arbor 401a Executive Plan. The Retirement System and Retiree Health Care Benefit Plan & Trust, 457 and 401a Plans are collectively referred to as the "System."

### **B. Administration of Systems**

The general administration, management and responsibility for the proper operation of the Retirement and Healthcare Systems are vested in the Board of Trustees. The Board consists of nine Trustees as follows:

One Trustee elected by the police members from their own number, including retirees;

One Trustee elected by the fire members from their own number including retirees;

One Trustee elected by the general city members from their own number, including retirees (general city members being members other than uniform police and fire members);

Five Trustees are appointed by the Council and serving at the pleasure of the Council;

The Chief Finance Officer serves by virtue of his/her office.

For clarification, the elected trustees' positions may be open to a retiree or an active employee; however retirees may not vote.

### **C. Administrative Staff to the Board**

The Board's administrative staff consists of an Executive Director, Pension Analyst, Management Assistant and Accountant.

### **D. RFP Coordinator**

Upon release of this RFP, all communications and submissions should be directed to Wendy Orcutt (Executive Director), RFP Coordinator. Any oral communications will be considered unofficial and non-binding on the System. Interested firms (the term "firm" as

used throughout this RFP includes sole practitioners) should rely only on written statements issued by the RFP Coordinator. Interested firms or persons who wish to ask questions regarding this RFP must submit written questions to the RFP Coordinator.

#### **E. RFP Terms and Conditions**

CAAERS reserves the right to request any provider to clarify its proposal or to supply any additional material deemed necessary to assist in the evaluation of a Request for Proposal.

CAAERS reserves the right to change the RFP schedule or issue amendments to the RFP at any time. CAAERS also reserves the right to cancel or reissue the RFP.

CAAERS reserves the right to reject any and all responses, to waive any irregularities or/and informalities in the selection process, to request clarification of information from any provider and to effect any agreement deemed by CAAERS to be in its best interest.

CAAERS will not reimburse any providers for any costs involved in the preparation and submission of responses to this RFP or in the preparation for and attendance at subsequent interviews. Furthermore, this RFP does not obligate CAAERS to accept or contract for any expressed or implied services. In the event of a material modification, providers will be given an opportunity to modify their RFP in the specific areas that are affected by the modification.

## **Section 2 – Qualifications / Scope of Work**

### **A. Minimum Qualifications**

Firms submitting a proposal should meet at least the following minimum qualifications:

- Minimum 10 years experience providing legal advice to public pension plans with a minimum of five of those years advising Michigan public pension plans
- Relevant Internal Revenue Code expertise
- Knowledge of relevant law related to public employee pensions similar to CAAERS
- Have strong education credentials; identify if you are AV rated
- Be in good financial standing
- Have a thorough understanding of state and federal laws which affect municipal retirement systems in the State of Michigan
- Be admitted to practice law in the State of Michigan
- Possess excellent communication skills

### **B. Scope of Services**

The Board of Trustees will seek a law firm with the best ability to:

1. Advise the Board on compliance with all applicable federal, state, and local laws and regulations, including all qualification issues under the Internal Revenue Code.
2. Advise the Board concerning drafting and compliance of plan documents, rules, administrative policies and procedures.
3. Negotiate and draft investment contracts and other legal documents necessary to facilitate investment transactions.
4. Provide advice, review and opinions related to benefits administration and investment of fund assets.
5. Represent the Board in complex litigation regarding plan issues.
6. Provide objective, third-party advice and counsel that will enable the Board to make well-informed and well-educated decisions regarding System and its administration.
7. Attend Board and committee meetings and other functions as needed, i.e. Board retreat.
8. Review Domestic Relations Orders.

When responding to this Request for Proposal, the Board encourages you to describe the ways in which you believe your service capability is special or distinctive.

### **C. Submission Requirements**

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that the proposal be organized in the following manner:

1. Title Page:

Please indicate the RFP subject, the name of your organization, address, telephone number, email, name of contact person and date.

2. Table of Contents:

Clearly identify the material by section and page number.

3. Letter of Transmittal:

Limit to one or two pages.

- a. Briefly state your organization's understanding of the nature of the work.
- b. Give the names of the persons who will be authorized to make presentations for your organization, their titles, addresses, email and telephone numbers.

4. Submission:

Please submit six (6) hard copies of the proposal and one copy sent electronically to Wendy Orcutt, Executive Director at [worcutt@a2gov.org](mailto:worcutt@a2gov.org).

Proposals must be presented in a sealed envelope clearly marked as follows:

RFP: Legal Services  
City of Ann Arbor  
Employees' Retirement System  
532 S. Maple Rd.  
Ann Arbor, MI 48103

Your response to this RFP must be received at the above address by 4:00 p.m. on March 28, 2024

## **LEGAL SERVICES REQUEST FOR PROPOSAL**

### **ORGANIZATION BACKGROUND**

1. Describe the background and qualifications of your firm.
2. Provide the name, title and credentials of the primary contact individual who will be assigned to the System. Identify the other individuals who will be supervised by the primary contact individual. Identify the names, titles, and credentials of the individuals supervised by the primary contact individual. What are their specific responsibilities? Who will attend Board meetings? Provide the names of other clients that they serve.
3. How many municipal retirement systems do you service? How many are located in Michigan? Please provide a representative client list.
4. How many accounts/clients have you gained in the last 3 years? How many have left your firm in the last three (3) years. Please explain losses, if any.
5. What is the number of full time employees in your company? How many professionals have left your company in the last three (3) years? How many support staff have left your company in the last three (3) years?
6. Please describe your document retention policy, your computer systems, and backup process.

### **SERVICES**

7. Please describe the types of services provided by your firm.
8. List with specificity, including the names and titles of the Act where applicable, the various state and federal laws used by your firm in furtherance of the administration of a system client.
9. Are you familiar with Domestic Relations Orders and Eligible Domestic Relations Orders and able to review such orders for compliance with legal and retirement system requirements?
10. Describe any training or educational materials or seminars that your firm could provide to enable the Board to appropriately administer the System.
11. Detail the assistance your firm would provide in responding to Freedom of Information Act requests.
12. Describe the support your firm would provide in the event of litigation in which the System is a party.
13. Describe your experience with retiree health and welfare plans?



14. Describe your firm's experience with compliance with the rules and regulations of the Internal Revenue Service.
15. Describe your firm's experience assisting a retirement system in the selection of investment consultants, custodian, actuaries and other service providers.
16. Describe your firm's experience with securities litigation firms that monitor and provide legal services to public pension funds.
17. Describe your firm's experience with collective bargaining agreements.
18. Describe the services, publications, organizations/associations, or other resources your firm utilizes to keep informed of the current laws, regulations and trends applicable to municipal retirement systems?

### **RISK MANAGEMENT**

19. Describe the various types of insurance and indemnification provided to protect client recipients of service(s) proposed.

### **MANAGEMENT COMMITMENT**

20. Describe your firm's commitment to service quality and customer service.
21. Outline your organization's commitment to servicing the public sector retirement plan market.
22. How are issues and concerns communicated to and from clients?

### **PROPOSED FEES:**

23. Please provide a comprehensive schedule of fees.
24. Do you charge secretarial or clerical time to clients? If so, what are the rates?
25. Do you charge for expenses such as copies, postage, telephone toll charges, travel costs? If so, what are the rates?

### **REFERENCES**

26. Please provide, at a minimum, three clients that are of similar size as the System who will share with the Board their first-hand experiences regarding your services (preferably public retirement systems). The references must include contact name, title, street address, E-mail address, and telephone number.

## **CYBER SECURITY**

27. Are you subject to security alerts? If so, please provide the findings.
28. Please provide both your internal and external Cyber Security Policy, insurance, and preferred contact information for handling cyber security breaches.
29. How is our data encrypted in transit and at rest on the database level?
30. Does your site support Multi Factor Authentication for user access? If not, is it possible to add this feature to your site and what is the expected time frame for this change?
31. We require that all sensitive data be sent via SFTP and never sent via email. Do you have SFTP in place to send and receive data?
32. Where or how do you store and manage our data?
33. What email addresses should we expect you to use to transfer data or communicate about our data?
34. Do you run Data Loss Protection systems in your environment?
35. How many (or what percentage) of you workforce is working remotely?
36. What policies and/or safeguards do you have in place to protect our sensitive data as it pertains to your remote employees and workflows?
37. How do you back up and protect your computer data? What is your retention schedule? How often do you validate backups with restoration testing?
38. Please explain what type of disaster recovery and business continuity plans you have in place.
39. Please explain what types of physical security guards you have on your data center or computer room.
40. Please explain what type of protections you have around your data center or computer room with regards to redundant power and HVAC.

## **MISCELLANEOUS**

41. Is your firm a member of MAPERS? If so, since when? What other affiliations does your firm maintain to be apprised of unique issues and developments affecting public employee retirement systems?
42. Has your firm or its employees been investigated by any state or federal regulatory or law enforcement agency in the last ten years? If yes, please describe in detail the substance and results of each such investigation.

43. Has your firm or its employees been a party to any lawsuit, including suits involving misfeasance or professional negligence, within the last ten years? If so, please describe the substance and results of each suit.
44. Please describe the transition process when taking on a new client. Please discuss computer systems and data issues.
45. Is your firm a member of NAGDCA? If so, since when? What other affiliations does your firm maintain to be apprised of unique issues and developments affecting defined contribution and deferred compensation plans?

## **OTHER REQUIREMENTS**

46. Certification as to "Request for Proposal" Content: By submitting a proposal, the proposer certifies that he/she has fully read and understands the "Request for Proposal" and has full knowledge of the scope, nature, quantity, and quality of work to be performed. Unless specified to the contrary, submitting a proposal will be interpreted as agreement to all provisions in and requirements of the RFP.
47. Additional Information and Instruction: The proposer shall furnish such additional information as the Board may reasonably require. The Board reserves the right to investigate the qualifications of all proposers as it deems appropriate.
48. Negotiations: The Board reserves the right to conduct pre-contract negotiations with any or all proposers.
49. Proposal Rejection: The Board reserves the right to reject any or all proposals, the right in its sole discretion to accept the proposal which it considers most favorable to the Board's interest, and the right to waive minor irregularities in the procedures. The Board further reserves the right to seek new proposals when such a procedure is in its best interest.
50. Proposals Binding for 180 Days: All proposals submitted shall be binding for one hundred and eighty (180) calendar days following the above due date for receipt of proposals to allow for evaluation and award of contract.
51. Completeness: All information required by the Request for Proposal shall be supplied to constitute an acceptable proposal. Failure to submit a complete proposal may result in the disqualification of your proposal.