

REQUEST FOR PROPOSALS – PORTFOLIO MONITORING SERVICES

BACKGROUND

The City of Taunton Contributory Retirement System (“System”) is governed by the Taunton Retirement Board (“Board”) and is the pension system serving the City of Taunton employees in Bristol County, Massachusetts. The Board manages approximately \$320 million in assets and employs a staff of 4 people in its office located in Taunton, Massachusetts. The Board is seeking qualified law firms to provide portfolio monitoring and fraud litigation services for the System as more fully described herein. The portfolio monitoring and any associated evaluation and counseling services will be offered at no cost to the Board.

The selected firm(s) shall be retained on a contingency basis in the event the Board decides to take legal action in a securities litigation matter. However, the selected firm cannot be assured that any resulting litigation will be awarded to that firm.

The Board currently employs 29 investment management firms/funds to invest the assets of the System. The Board currently invests in the following asset classes: domestic stocks and bonds, private equity/venture capital, international stocks & bonds, real estate/timber, and agriculture.

The Board and System are governed by Chapter 32 of Massachusetts General Laws and is a member of the Massachusetts Contributory Retirement System. The Board is subject to the oversight of the Public Employee Retirement Administration Commission (“PERAC”).

INSTRUCTIONS TO PROPOSERS

Designated Contact: Prior to receiving a copy of this Request for Proposals (hereinafter “RFP”), a Proposer must provide to the Board’s designated contact the following information:

Name
Address
Phone Number
Fax Number
Email Address

The person listed above will be the designated contact for the Proposer. All correspondence from the Board will be to the designated contact of the Proposer. The Board will endeavor to submit all responses via email. However, the Board reserves the right to submit correspondence relative to this RFP in any manner it deems appropriate. No person shall receive a copy of this RFP without first registering by providing a designated contact with the information required in this RFP. No proposal will be considered from any person who has not registered in the manner required by this RFP.

Receiving Copies of the RFP: In order to receive a copy of this RFP you must contact:

Mr. Paul J. Slivinski, Executive Director, Taunton Retirement Board, 104 Dean Street, Suite 203, Taunton, MA 02780, Tel (508) 821-1052, Fax (508) 821-1063, Email: pslivinski@taunton-ma.gov.

The RFP may be picked up at the Board's office or emailed at no charge. The Board's regular business hours are **8:00 a.m. to 4:00 p.m. EST Mon, Wed & Thurs; 8:00 am to 7:00 pm Tues; and 8:00 am to 12 Noon Fri.**

Correspondence and Questions: All correspondence and questions relating to this RFP will be submitted to **Mr. Paul J. Slivinski** and shall be in writing. Any changes in the requirements of this RFP will be issued via addendum. All addenda will be sent via email to the addresses provided by the Proposers. The Board reserves the right to send addenda by a method other than email.

Proposers should acknowledge in their submission that they have received any addenda issued pursuant to this RFP. All addenda will be numbered in the following format: Addendum 1, Addendum 2, etc.

Proposers may call Board's designated contact and ask questions orally. The Board will respond to oral questions but Proposers should be cautioned that only written responses will be considered binding on the Board and only written responses by the Board will be incorporated into this RFP by reference. The Board is not liable for any oral communication relative to this RFP.

Proposers should be aware that any response by the Board to any written question or comment submitted by any Proposer will be answered by responding to all registered Proposers. All questions or comments on this RFP must be submitted to the Board's designated contact on or before **October 25, 2019 by 12 noon**. No questions or comments will be accepted after this date and time.

Proposal Format and Requirements: Electronic responses via email to this RFP must be received on or before **October 31, 2019 by 12 noon**. Any proposal not meeting this deadline will not be accepted or considered. All proposals must be submitted to **Mr. Paul J. Slivinski, Taunton Retirement Board, 104 Dean Street, Suite 203, Taunton, MA 02780**.

Proposers shall submit two (2) original copies and one electronic copy of your proposal. No amendments will be accepted after the closing date and time. Proposers mailing materials should allow adequate time to assure timely arrival but electronic proposal is the governing version for purposes of meeting the deadline.

All proposals must be complete in all respects. The Board reserves the right to request additional information or clarifications to any proposal. The Board may, in its sole discretion, determine that a proposal has failed to meet all of the criteria required by this RFP and may disqualify that

proposal, provided, however, that the Board shall notify the respondent in writing prior to the issuance of any award under this RFP.

The Board further reserves the right to waive any minor informality as defined in Massachusetts General Law Chapter 32, § 23B in any proposals received. The determination as to whether or not to make an award as a result of this RFP shall be at the sole and absolute discretion of the Board.

Proposers will be required to submit their proposals containing the firm's qualifications and forms as required in this RFP in a sealed envelope.

Proposers must submit all required information, forms and attachments as specified in this RFP.

An individual or firm may correct, modify, or withdraw a bid by written notice received by the Board prior to the Submission Deadline. Modifications must be submitted in a sealed envelope clearly labeled "Modification No. ___." Each modification must be numbered in sequence, and must reference the original submission.

After the Submission Deadline, provisions of the bids may not be changed in a manner prejudicial to the interests of the System or fair competition. The submission cost proposal must remain firm for 90 days after the Submission Deadline.

The Board reserves the right to cancel this RFP, or to reject any and all proposals, or any portion of any proposal, received in response to this RFP, upon its determination that such cancellation or rejection is in the best interests of the System. Proposers acknowledge that the Board shall not be liable for any fees incurred in the preparation of their proposal.

The Board expects to award a contract by **February 28, 2020**. The Board may cancel this RFP, or reject in whole or in part any and all submissions, if the Board determines that cancellation or rejection serves the best interests of the System. The anticipated time-line for this procurement is listed below, although the Board reserves the right to change any aspect of this schedule at any time.

Proposed Time-Line: The current schedule for this procurement is as follows:

Questions or Comments due: 10/25/2019 by 12 noon

RFP's due: 10/31/2019 by 12 noon

RFP's reviewed by board: At its November 2019 regular meeting.

Interview of selected firms: Either the December 2019 or January 2020 regular meeting.

Contract award: By 02/28/2020 pending any unforeseen regulatory/legal issues

The term of the contract shall not exceed seven (7) years, including any option for renewal which will be solely at the discretion of the Board, with the Board reserving its right to terminate the contract for any reason on thirty (30) days written notice.

No agreement may be awarded unless all forms required by this RFP shall be completed. Further, no agreement may be awarded unless all of the requirements are met as set forth in Chapter 32, Section 23B. In addition to the forms required in this RFP, a Proposer must submit the PERAC Vendor Certification Form as provided on PERAC's website at www.state.ma.us/PERAC. This is an interactive form that all Proposers must complete and submit with their proposal.

No award will be made without the following certification signed as part of the response:

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or any other organization, entity, or group of individuals.

SCOPE OF SERVICES

The services requested will include, but not be limited to:

- Monitor the Board's invested assets for any losses that may have occurred as a result of a violation or potential violation of federal and/or state securities laws or a breach of any duty owed to the Board.
- Provide the Board with an ongoing comprehensive securities monitoring and administration service that will provide the Board with expert legal advice, counsel, and litigation-related services involving all aspects of securities litigation.
- Use internal and external resources to identify and monitor securities litigation in which the Board may have an interest.
- Advise the Board of the existence of situations where litigation or arbitration may be warranted in a matter, including an assessment of likely outcome, whether there is ongoing litigation to which the Board should be a party, whether the Board should apply to be lead plaintiff or seek to join the lead plaintiff group, whether the Board should remain in the plaintiff class or opt out, various deadlines that affect the Board's rights, and other factors, as appropriate, to enable the Board to make an informed decision as to how to proceed.
- If engaged by the Board, zealously represent the Board at all stages of litigation.
- At the request of the Board, assist in establishing a securities monitoring and securities litigation policy.
- Be responsive to and available on an "as needed" basis to confer with and provide recommendations to the Board regarding case status, strategies, and potential settlement or other resolution of cases.

- On a monthly basis, the selected firm(s) shall issue a report on the status of any pending or potential litigation relative to the Board's investments.

AGREEMENT

The Board will enter into an agreement not to exceed seven (7) years including any option years. The Board will reserve the right to terminate any agreement in which it enters on thirty (30) days notice or immediately if for cause.

RULE FOR AWARD

The Board/Selection Committee will evaluate the proposal. Bids will not be opened publicly but rather will be considered by the Executive Director/Selection Committee privately. All information will be released publicly upon completion of the selection process.

If the Executive Director/Selection Committee requires clarification or additional information, the request will be communicated to the designated contact of the Proposer by the Executive Director. The Executive Director/Selection Committee reserves the right to interview one or more Proposers to seek clarification during the evaluation process.

The Selection Committee will review the proposals and provide ratings based on the criteria contained in this RFP. Upon the completion of this review by the Selection Committee, the Board will select the most advantageous proposal based on the ratings and written evaluation of the Executive Director/Selection Committee. The most advantageous proposal may not have the highest composite ranking. The selected proposal will be based on the Board's evaluation of the benefits associated with each proposal. The proposal selected will be that which provides the best combination of quality and performance for the System. The Board reserves the right to interview any Proposer for any purpose during this evaluation process. Further, the Board reserves the right to seek clarification on any aspect of any proposal as part of their review. No agreement for services under this RFP shall be executed until such agreement is authorized by the Board.

EVALUATION CRITERIA

Each proposal will be rated in the following manner and on the following criteria.

- (1) Provide a statement setting forth the name of a contact person with accompanying business, fax, and cellular numbers, where available, to allow for follow-up contact during business and non-business hours.

Highly Advantageous: The Proposer is able to provide all of the information requested.

Advantageous: The Proposer is able to provide some, but not all of the information requested.

Not Advantageous: The Proposer is unwilling to provide some of the information requested.

Unacceptable: The Proposer is unwilling to provide any of the information requested.

- (2) Provide a brief history of your firm, including the year the firm began providing securities litigation services. Give specific details with regard to the nature of services provided, with special attention to public sector experience and specific experience with securities litigation services for government funds.

Highly Advantageous: The Proposer has ten (10) or more years of experience in providing securities monitoring/litigation services to Massachusetts public pension funds.

Advantageous: The Proposer has ten (10) or more years of experience in providing securities monitoring/litigation services to public pension funds outside the Commonwealth of Massachusetts.

Not Advantageous: The Proposer has three (3) or less years of experience in providing securities monitoring/litigation services to public pension funds.

Unacceptable: The Proposer does not have experience in providing securities monitoring/litigation services to public pension funds.

- (3) Describe how your firm would monitor and evaluate the Fund's investment portfolio for losses that may have been incurred as a result of a violation or potential violation of the federal securities laws. Indicate whether your firm's securities monitoring services are to be provided directly by the firm or if all or any part of the process is to be provided through a third party. Please detail the nature of the department providing monitoring services, case evaluation services, and investigation of potential matters.

Highly Advantageous: The Proposer does not utilize third parties in the monitoring and/or evaluation of the investment portfolio and directly employs all professionals who conduct the investigation and/or evaluations.

Advantageous: The Proposer utilizes some third parties who are not attorneys in monitoring and/or evaluating the investment portfolio.

Not Advantageous: The Proposer outsources all non-legal monitoring and/or evaluation responsibilities to third parties.

Unacceptable: The Proposer outsources and/or contracts with third parties to provide both legal and non-legal monitoring and/or evaluation of the investment portfolio.

- (4) Describe the reporting process that you would use regarding the monitoring and evaluation of the Fund's portfolio and/or advice and recommendations concerning potential class action litigation.

Highly Advantageous: The Proposer tracks portfolio trading and cross references trading against potential securities claims utilizing trained lawyers, forensic accountants, damage analysts and software programmers employed by the Proposer.

Advantageous: The Proposer tracks portfolio trading and cross references trading against potential securities claims utilizing trained lawyers, forensic accountants, damage analysts and software programmers who may be contract employees and/or third parties..

Not Advantageous: The Proposer tracks portfolio trading and cross references trading against potential securities claims utilizing trained lawyers, forensic accountants, damage analysts and software programmers who are independent contractors and/or third parties.

Unacceptable: The Proposer does not track portfolio trading and cross references trading against potential securities claims utilizing trained lawyers, forensic accountants, damage analysts and software programmers.

- (5) Describe the reporting process your firm would use when the Fund participates in litigation as lead plaintiff in a class action or as a passive member of the plaintiff class.

Highly Advantageous: The Proposer's reporting process would provide a quarterly report which would include the case summary, allegations of the claim, the alleged market loss, the quantification of such loss, the identity of defendants, the court in which the action is filed, class period and key dates, such as for the filing of motions or lead plaintiff status.

Advantageous: The Proposer would provide a quarterly report which contained some, but not all of the information outlined above.

Not Advantageous: The Proposer would provide a report a report less than quarterly which contained some but not all of the information outlined above.

Unacceptable: The Proposer does not provide periodic reporting but only alerts clients when a claim arises.

- (6) Describe any online services that your firm provides. Please detail these services including online monitoring services, webinars, and any client extranet. Where such systems can be reviewed or tested on-line, please provide information on how such systems can be viewed or tested.

Highly Advantageous: The Proposer provides online monitoring service, webinars and client extranet which can be viewed and/or tested by potential clients.

Advantageous: The Proposer provides some but not all of these services which can be viewed and/or tested by potential clients.

Not Advantageous: The Proposer provides some but not all of these services which can only be viewed and/or tested by actual clients.

Unacceptable: The Proposer does not provide any online monitoring service, webinars and client extranet.

- (7) Provide a detailed explanation of the securities litigation services your firm would provide to the Board. Describe the anticipated role of the Board's staff in your firm's provision of the requested legal services.

Highly Advantageous: The Proposer will handle all aspects of the litigation which would minimally involve Board staff and Board counsel, and any costs associated with Board counsel participation would be reimbursed to the Board by the Proposer.

Advantageous: The Proposer will handle all aspects of the litigation which would involve Board staff and Board counsel, and any costs associated with Board counsel participation would be reimbursed to the Board by the Proposer.

Not Advantageous: The Proposer will handle all aspects of the litigation which would involve Board staff and Board counsel, and any costs associated with Board counsel participation would be borne by the Board.

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Unacceptable: The Proposer will handle most of the litigation which would rely on Board staff and Board counsel for support, and any costs associated with Board counsel participation would be borne by the Board.

- (8) Identify and describe the qualifications and experience of attorneys and professional personnel who would be assigned to staff Board work, as well as the current and planned role each individual would play, relative to such assignments. Also provide a short biography of such attorneys including their title, function, number of years with your firm, years of experience, and educational background. Also identify the individual that would be the lead attorney for Board matters.

Highly Advantageous: The Proposer employs at least 5 attorneys, two of whom are partners or principals with the firm, each with at least 10 years of experience in prosecuting securities litigation claims.

Advantageous: The Proposer employs at least 2 attorneys, one of whom is a partner or principal with the firm, each with at least 10 years of experience in prosecuting securities litigation claims.

Not Advantageous: The Proposer only employs 1 attorney with at least 10 years of experience in prosecuting securities litigation claims.

Unacceptable: The Proposer does not employ at least 1 attorney with at least 10 years of experience in prosecuting securities litigation claims.

- (9) Provide a summary of your firm's general qualifications to provide the services contemplated herein, including additional firm personnel and resources beyond the attorneys who would be assigned to Board work.
- (a) Indicate whether your firm has dedicated in-house staff to handle portfolio monitoring?
 - (b) Indicate whether your firm has dedicated in-house staff to investigate securities litigation cases?

Highly Advantageous: The Proposer employs in-house all legal and non-legal staff to handle portfolio monitoring, investigate securities litigation and to file and represent the Board in all aspects of the claim.

Advantageous: The Proposer employs some in-house, but not all legal and non-legal staff to handle portfolio monitoring, investigate securities litigation and to file and represent the Board in all aspects of the claim.

Not Advantageous: The Proposer does not employ in-house any non-legal staff to handle portfolio monitoring and investigate securities litigation claims.

Unacceptable: The Proposer does not conduct both portfolio monitoring and investigate securities litigation claims.

- (10) Summarize other relevant experience and training that demonstrate your firm's ability to advise or represent the Board in all or any number of the areas or issues listed herein. This may include non-litigation legal experience, significant litigation experience, particularly involving trial practice, writs and law and motion, appellate practice, or representation of government agencies, academic experience, professional activities, etc.
- (a) Indicate whether your firm has participated as lead counsel in at least one securities litigation case with an ultimate settlement or judgment equal to or in excess of \$50 million.
 - (b) Indicate whether your firm has brought a securities class action case to trial. If so, describe the outcome, including whether your firm has taken such a case through to a jury verdict.
 - (c) Provide a list of recent legal articles and publications by attorneys at your firm.

Highly Advantageous: The Proposer has participated as lead counsel in at least one securities litigation case which settled for equal to or in excess of \$50 million and your firm has brought a securities class action case to trial through a jury verdict.

Advantageous: The Proposer has participated as lead counsel in at least one securities litigation case which settled for less than \$50 million and your firm has brought a securities class action case to trial through a jury verdict.

Not Advantageous: The Proposer has participated as lead counsel in at least one securities litigation case which settled for less than \$50 million but your firm has not brought a securities class action case to trial through a jury verdict.

Unacceptable: The Proposer has neither participated as lead counsel in at least one securities litigation case nor has participated in a securities class action case which went to trial through a jury verdict.

- (11) Provide a representative listing of securities litigation matters in which your firm within the past 3 years has achieved favorable outcomes. Include a brief description of the type of work your firm performed on behalf of your client. Identify key issues of the case or cases and degree of success achieved. Indicate any of such cases handled by persons who may be designated as lead attorney for Fund litigation cases.

Highly Advantageous: The Proposer has handled more than one securities litigation matters in the past 3 years and at least one of the attorneys who handled one of the cases would be designated as lead attorney for Board litigation cases.

Advantageous: The Proposer has handled one securities litigation case in the last 3 years and one of the attorneys who handled the case would be designated as lead attorney for Board litigation cases.

Not Advantageous: The Proposer has handled one securities litigation case in the last 3 years but none of the attorneys who handled the case would be designated as lead attorney for Board litigation cases.

Unacceptable: The Proposer has not handled at least one securities litigation case in the last 3 years.

ADDITIONAL INFORMATION REQUIRED

Each proposal must also provide the following information:

- Provide a list of representative clients.
- Provide a list of clients who may be contacted for references.
- Provide a certificate of insurance coverage reflecting professional liability insurance equal to or greater than \$1,000,000.

- Identify any actual, potential, or appearance of conflict of interest that may arise as a result of your firm's selection to represent the Fund.
- Identify any current or former contact or relationship of any nature whatsoever with any current or former member of the Fund's Board of Trustees. Identify any current business relationship or any current negotiations for prospective business with the Fund or with any member of the Fund's Board of Trustees or identified Fund employees (*see* Exhibit A for listing of select Fund employees and Fund Trustees).
- Provide a statement explaining whether your firm or its members have had successful malpractice or professional discipline actions prosecuted against it within the five (5) years immediately preceding the submittal of this proposal.
- Describe the methodology your firm would use to determine fees to be received by your firm in class action awards or settlements where the Fund is the lead plaintiff.

APPENDIX A

CERTIFICATION
PURSUANT TO M.G.L. c. 32, § 23B(k)(3)

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word “person” shall mean a natural person, business, partnership, corporation, union, committee, club or other organization, entity or group of individuals.

Signature

Title (duly authorized)

Date

EXHIBIT

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TAUNTON RETIREMENT BOARD

Fund Employees and Trustees:

Ann Marie Hebert, Chair
Dennis M. Smith, Member
Peter H. Corr, Member
Gill E. Enos, Member
Barry J. Amaral, Member
Paul J. Slivinski, Executive Director
Kathy Maki, Assistant Director
Karen Medeiros, Administrative Assistant
Jessica Gonsalves, Office Clerk