



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF DECEMBER 2, 2010

COMMITTEE ON PROCUREMENT

Mr. Richard Lanyon, Executive Director

Issue purchase order and enter into an agreement for Contract 10-RFP-18, provide Deferred Compensation Investment Consulting services for a three-year period, with Segal Advisors, Inc., in an amount not to exceed \$111,000.00, Account 101-25000-601170, Requisition 1315932

Dear Sir:

Authorization is requested to issue a purchase order and enter into an agreement with Segal Advisors, Inc. to provide deferred compensation investment consulting services for a three-year period, effective January 1, 2011 through December 31, 2013. These services will initially be paid by the District, but will be reimbursed out of the Deferred Compensation Plan's Administrative Allowance account which is administered by ICMA-RC (the Deferred Compensation Plan's recordkeeper).

On September 8, 2010, request for proposal Contract 10-RFP-18, Deferred Compensation Investment Consulting Services, was publicly advertised. Forty firms were notified, and fourteen firms requested proposal documents. On October 8, 2010, the District received five responsive proposals from the following vendors: Advanced Capital Group, Inc.; Buck Consultants, LLC; PFM Asset Management, LLC; Retirement Plan Advisors, LLC, and Segal Advisors, Inc.

The proposals were evaluated by staff from the Human Resources Department and the Procurement and Materials Management Department. The criteria for these evaluations were outlined in request for proposal Contract 10-RFP-18 and included: understanding of the project, approach to work, technical competence, financial stability, personnel effectiveness, compliance with insurance requirements, and submission of licenses/permits. The proposal received from Asset Management, LLC did not fully address all projects outlined in the scope of work of the request for proposal and was deemed non-responsive.

Following the preliminary evaluation of proposals, excluding cost, four proposers were deemed to be finalists, and were interviewed on November 9, 2010 by the Deferred Compensation Committee consisting of the Chairman of Finance, the Treasurer, and the Director of Human Resources. A solicitation was sent to each finalist on November 10, 2010 for an unqualified "best and final" offer. The "best and final" offers were submitted to the Director of Procurement and Materials Management on November 16, 2010.

Based on the evaluation of proposals and interviews, it is recommended that a purchase order be awarded to Segal Advisors, Inc. Segal Advisors, Inc. received the highest score among the proposers and had the lowest cost. Segal Advisors, Inc. has been providing independent investment and consulting services since 1969, and has extensive experience working with public sector deferred compensation plans, including the District's plan, to which Segal Advisors, Inc. has provided services since 2004. The firm also has substantial experience monitoring fund performance, conducting fund searches, and reviewing plan documents.

The Affirmative Action Section reviewed the request for proposal and concluded that Appendix A would not be

applicable since the proposed services are dependent on the expertise of the vendor and cannot be subcontracted.

In view of the foregoing, it is requested that the Director of Procurement and Materials Management be authorized to issue a purchase order and enter into an agreement with Segal Advisors, Inc. for the professional services required, in an amount not to exceed \$111,000.00.

Funds are being requested in 2011, 2012 and 2013, in Account 101-25000-601170, and are contingent on the Board of Commissioners' approval of the District's budget for those years. The estimated expenditure for each year is \$37,000.00, for a total for the three years of \$111,000.00.

Requested, Denice E. Korcal, Director of Human Resources, DEK:SOM

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda will be documented in the Official Regular Board Meeting Minutes of the Board of Commissioners for December 2, 2010