

UPDATE: The RFQ deadline for submission has been extended to April 15, 2024, at 8 AM ET. Questions on this RFQ will be accepted (e-mail ccarpenter@westcog.org) through April 3, 2024. Answers will be posted to <https://westcog.org/about/rfps-grant-opportunities/>.

Request for Qualifications (RFQ)

For municipal retirement performance evaluation.

Announcement

The Western Connecticut Council of Governments (“WestCOG”) has initiated a Request for Qualifications (RFQ) process to identify and procure a qualified vendor to evaluate the performance of standalone municipal retirement systems, including investment returns and administrative costs/efficiency.

About WestCOG

Founded in 2014, the Western Connecticut Council of Governments is one of nine regional Councils of Governments established pursuant to Connecticut General Statutes §4-124i et seq. WestCOG serves the Western Connecticut Planning Region, the second most populous and fastest growing region in Connecticut, with an estimated population of 620,000. WestCOG is governed the Chief Elected Officials (Mayors and First Selectmen) of its members, comprising three principal cities (Stamford, Norwalk, and Danbury) and fifteen surrounding towns (Bridgewater, Brookfield, Danbury, Darien, Greenwich, New Canaan, New Fairfield, New Milford, Newtown, Redding, Ridgefield, Sherman, Weston, Westport, and Wilton).

More information on WestCOG is available at <http://westcog.org>.

Project background

In 2023, Yale University’s Jeffrey Sonnenfeld, Steven Tian, and others evaluated the performance of retirement funds managed by the State of Connecticut. The group found that Connecticut had “one of the single worst investment track records of all 50 states”, losing “billions of dollars on terrible investments.” Sonnenfeld, Tian, et al. concluded that:

“if Connecticut’s investments had yielded just the median returns of all 50 states, the past five years, we would have had \$5 billion more and be able to cut taxes by 50 percent instead of 0.5 percent. Connecticut would have reaped a whopping \$27 billion more over the last decade—practically enough to fully fund Connecticut’s pension obligations while simultaneously dramatically reducing taxes.”

¹ [Why Connecticut’s Investments Are Underperforming | Yale Insights](#)

The Yale analysis² evaluated retirement funds the state manages. These include the:

- a) State Employees Retirement System, which covers state employees; the
- b) Teachers' Retirement System, which covers teachers (which are largely employed by local governments); and the
- c) Connecticut Municipal Employees Retirement System (CMERS), which serves some (but not all) local government employees.

Yale's analysis did not evaluate the performance of retirement funds managed by third parties. These include the retirement plans of municipal bargaining units that do not belong to CMERS. Membership in CMERS is voluntary; some municipalities and bargaining units have instead created retirement programs of their own design, including defined benefit and defined contribution plans, with their own management structures and investment strategies.

As state investments have consistently underperformed, the contributions required of CMERS member jurisdictions have escalated. Together with inflexible benefit levels, this has led some reportedly to look to exit the system – presumably in favor of standalone retirement programs.

Given the distance of Connecticut's investment performance from the 50-state median, it is probable that most other arrangements would provide higher returns to local governments, reducing long-term liabilities and potentially giving relief to local budgets and property taxpayers. However, the performance of local retirement programs in Connecticut has not been comprehensively studied, and programs may vary significantly.

The purpose of this project is to evaluate the performance non-CMERS employee benefit programs in municipalities in the members of the Western Connecticut Council of Governments and, optionally, in up to three additional municipal governments that may illustrate best practices or innovative models for COG members to learn from. The project is intended to evaluate municipal retirement programs (including defined benefit, defined contribution, and hybrid, but other post-employment benefit (OPEB) programs may also be included in the analysis, especially when such programs are co-managed or and/or their funds are pooled with retirement funds.

WestCOG intends to engage a qualified consultant to undertake this project.

Scope of work

Unless otherwise suggested by the proposer and accepted by WestCOG, the project shall:

- Identify retirement programs(s) in each member municipality (eighteen) and in additionally selected municipalities (up to three) that may serve as exemplars.
- Define the set of programs to be analyzed. Criteria to be considered may include, but may not be limited to, benefit category (retirement, OPEB, other), whether programs are open to new participants, and numerical thresholds on participants or funds under management.

² [The Investment Challenges Facing Connecticut's Pension Funds \(January 2023\)](#)

- Characterize and describe programs, type (e.g., defined-benefit, defined-contribution, and hybrid programs), executive/oversight arrangements, management structure and funding, authority for asset allocation, contribution responsibility, and identified concerns.
- Establish and collect relevant data over the study period, including asset allocations, valuations, and management fees. WestCOG is able to coordinate with its members to obtain necessary data for this project.
- Compute investment performance for each program using accepted metrics.
- Compute administrative efficiency for each program using accepted metrics, including normalizing where appropriate (e.g., as a percentage of funds managed, per capita).
- Benchmark municipalities on investment performance and administrative efficiency, including making recommendations a) to improve retirement systems across the board and b) to address underperformance or deficiencies where found in one or more programs.
- Produce a report, including an executive summary of findings, tables providing an overview of arrangements in member and model jurisdictions, written presentation and discussion the data collected and analysis conducted, numerical and graphic illustrations of findings, and, as applicable, case studies of success stories and best or innovative practices.

The project shall also address stakeholder engagement:

- Regular meetings with an advisory committee of COG and local chief elected officials, municipal finance officers, and/or other staff to inform the project, monitor progress, review work products, and support broader coordination with relevant stakeholders.

Expertise sought

The following knowledge, skills, and experience will be needed to complete the project:

- Track record of comparable projects that are completed and meet expected outcomes, with few to no surprises and a positive benefit-to-cost ratio
- Expertise in
 - Public and, specifically, municipal finance
 - Employee benefit systems, both for retirement and OPEB
 - Retirement programs, defined contribution, and hybrid program types
 - Investment alternatives, portfolios, strategies, and performance
 - Fiscal sustainability, and valuation and reduction of unfunded liabilities
- Experience working with regional and local officials, including
 - Chief Elected Officials
 - Municipal Finance Officers
 - Retirement Program Administrators and Trustees
 - Investment Fund Managers
- Ability to deliver on time and within budget
- Ability to research, analyze, and provide solutions to complex questions

- Ability to communicate specialized technical, financial, and legal matters to and make them understandable by elected officials, civil servants, and to the public
- Ability to facilitate groups and lead them to actionable consensus
- Understanding of local government with experience in New England states preferable
- Expertise in communication during all project development phases
- Project management experience

Application process

Format

Each application should include the following components:

1. Cover page with project title; proposing firm; and name, telephone number, and e-mail address for the project manager.
2. Stage-based project approach. Each stage in the project should be briefly described, including timing/duration, output, and associated fee.
3. Work history. Similar or relevant work conducted by proposer in the past, with project outcomes and client references. Name, title, employer, relationship to the project, telephone number, and e-mail address should be given for each reference.
4. Qualifications. Task assignments and resumes for key staff on project. The total hours each staff person is expected to spend on each task should be documented.
5. Corporate background. Include the history, location(s), length of time in existence, and structure of the firm; and demonstration of the capacity of the firm to carry out the project.
6. If a joint venture is proposed, provide the number of projects that have been conducted under previous joint ventures with the designated firm and the success of those joint ventures as measured by on time, and under budget performance and customer satisfaction with the performance of the work.
7. Signature of a representative of the firm having legal authority to contract for the firm.
8. A completed Organizational Conflict of Interest Statement that either warrants that there are no relevant facts or circumstances that could give rise to organizational conflicts of interest or, as applicable, gives a full, written disclosure of all such conflicts of interests. Political activity on housing, land use, or related policy in Connecticut; legal action against local governments in Connecticut; and efforts to influence local regulatory processes in Western Connecticut will be considered a conflict of interest.

Material submitted in response to this RFQ and received by WestCOG may be subject to the provisions of the Connecticut Freedom of Information law (CGS §1-200 et seq.).

How to apply

Proposals are due by the end of the application period, Wednesday, March 20 at 11:45 PM ET.

Submissions should be directed to Mr. Francis R. Pickering, Executive Director at ccarpenter@westcog.org, include the RFQ title in the subject line.

Submissions should be provided in PDF format, as a single file. The file may be attached to the e-mail, or, in case of a large submission (larger than 10 megabytes), linked in the e-mail. Recipients should enable delivery and read receipts in their e-mail client. No other confirmation will be given.

Review and contracting

WestCOG will evaluate proposals received after close of the application period. At this point, WestCOG may invite additional information from selected proposers, including but not necessarily limited to, samples of other work or an in-person interview.

Should WestCOG determine to proceed with a proposal, WestCOG will begin contract negotiations, including on scope and fee, with the respective proposer. Should WestCOG and the selected proposer be unable to come to an agreement, WestCOG may terminate negotiations with that firm and revisit other proposals submitted.

It is expected that proposers will be notified of decisions on their submission by May 1, 2024. WestCOG may award the project in part or in full to one or more proposers or cancel or reissue this RFQ. Any award will not be final until a contract has been negotiated and executed.

Communications

Location of posting

This RFQ may be found online at <https://westcog.org/about/RFQs-grant-opportunities/> until May 1, 2024. It is the responsibility of interested parties to retrieve and store a copy of the RFQ beyond this date.

Pre-proposal meeting

A pre-proposal meeting will be held Wednesday, March 13, 2024 at 12:30 PM ET. The meeting will be held by videoconference. Parties interested in attending should e-mail ccarpenter@westcog.org for an invitation link. Attendance, by phone or in person, is optional and is not required in order to respond to this RFQ.

Inquiries

Proposers may submit questions on this RFQ by Thursday, March 13, 2024 at 11:45 PM ET. Questions should be directed to Mr. Francis R. Pickering, Executive Director at ccarpenter@westcog.org. Answers will be posted online where WestCOG posted this RFQ on a rolling basis until the close of business on Friday, March 14, 2024.

No questions will be accepted by other forms of communication.

Information about WestCOG can be found at <http://westcog.org>.

Addenda and supplements

Should WestCOG amend or adjust this RFQ, such changes will be posted online where WestCOG posted this RFQ. It is the responsibility of proposers to check for changes to the RFQ.

Conditions

Legal requirements

Contracts awarded as a result of this RFQ are subject to all applicable federal and state laws, including those concerning civil rights, nondiscrimination, and equal opportunity. Any responses to this RFQ, as well as any work resulting from it, are subject to freedom of information.

Insurance requirements

Proposers must maintain insurance coverage as required by federal and state law.

Consortia, joint ventures, and teams

Proposals from consortia, joint ventures, and teams (“groups”) will be accepted. In such cases, a lead firm must be identified for contracting purposes. A work history and statement of qualifications (as described under *Expertise sought*, #4 and #5) must be provided for each member of the group.

In designating a lead firm, groups should consider the following:

1. The lead firm should have sufficient experience and expertise to perform or supervise all facets of the project and must have sufficient resources to carry out the contractual responsibilities of the group.
2. The lead firm will be legally responsible to WestCOG for the performance of, and must perform at least 51% of, the total work awarded under any contract issued as a result of this RFQ.
3. Firms that are subsidiaries may not rely on the experience, expertise, or resources of its parent firm to meet these requirements.

Disadvantaged Business Enterprises (DBE)

DBE firms are encouraged to respond to this RFQ.

If a DBE firm is proposed, the proposal must clearly identify the DBE firm, the role the DBE will play in the project, and the tasks assigned to the DBE. Proof of Connecticut DBE certification must be submitted with the proposal. Responses that fail to give proof of DBE certification and description of project involvement will not be identified as including DBE participation.

Nonreimbursement of proposal costs

Costs associated with responses to this RFQ, including proposal development and participation in a selection process, are the sole responsibility of the respondent firms. WestCOG will not reimburse firms for such costs, nor will any selected firms be permitted to negotiate such costs as part of a contract with WestCOG.

Conflicts of interest

All relationships that may pose a conflict of interest shall be disclosed as part of the response to this RFQ.