

Park Employees' & Retirement Board Employees'  
Annuity & Benefit Fund of Chicago

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**REQUEST FOR PROPOSAL (RFP)**

**Pension Administration System**

## **Background:**

This Request for Proposal (“RFP”) is issued by the Park Employees’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago (the “PEABF” or the “Fund”) to solicit proposals from Respondents (“Respondent”), about providing a comprehensive web based hosted Pension Administration System (“PAS”) for the PEABF. Proposals will be gathered from several different organizations and used to evaluate provider options for PEABF. The Fund wishes to contract with a single vendor with demonstrated experience in implementing PASs for retirement systems with defined benefit plans similar in size and complexity. The Fund may choose not to acquire all optional system components.

The Fund seeks a vendor that provides a proven and carefully structured approach to implementation. In this context, implementation refers to all efforts required to provide a complete and functioning system. This includes technology and implementation planning, detailed design, interfaces, software integration, testing, training, data conversion, end-user and technical documentation, project management, and post implementation warranty support. The Fund also seeks pricing proposals for ongoing maintenance and support.

The PEABF is a statutorily created public pension plan administered pursuant to Article XII of the Illinois Pension Code (40 ILCS 5/12-101, *et seq.*). The PEABF has nine full-time staff members and is governed by a seven-member Board of Trustees (the “Board”). More information about the Fund is available at [www.chicagoparkpension.org](http://www.chicagoparkpension.org).

Please find a summary of the Plan’s benefits at <https://www.chicagoparkpension.org/wp-content/uploads/2015/2019%20Edited%20Principal%20Provisions.pdf>.

The PEABF is also governed by the Illinois Retirement Systems Reciprocal Act. Please use the following link for more information: <http://www.surs.com/illinois-retirement-systems-reciprocal-act>.

PEABF Pension Administration Statistics: December 31, 2020

Item	Quantity
Number of Active Members	2,890
Number of Retirees and Beneficiaries receiving Monthly Payments	2,775
Number of Tiers*	2
Number of Contributing Employers	1
Annual number of New Annuities (Employee, Spouse and Child)	103
Disability Payments	<20/month

\*Please note that HB417 provides for a third tier starting in 2022. HB417 has not yet been signed into law as of the date published. Please use the following link for more information: <https://www.ilga.gov/legislation/BillStatus.asp?DocNum=417&GAID=16&DocTypeID=HB&LegId=128418&SessionID=110&GA=102>.

## **Information about the Fund's IT Systems:**

Our users access network resources via workstations, mostly laptops, and while working remotely those laptops are connected to the network via a secure VPN connection.

Our servers are virtualized using VMware running on a server with redundant power supplies and disk drives. Our data is backed up to the local storage and to the cloud on a nightly basis. We use Docuware for a document imaging and management system, access-based database, and front end for tracking of benefits for annuitants and pension contributions for active employees, and we use Sage Peachtree for accounting. Email is hosted on the Office 365 platform and there is a firewall that provides VPN and security services for the office network.

Northern Trust is the vendor we use to process our members' benefit payments.

The Fund's website is hosted outside the office and is maintained by outside vendors.

The Fund also maintains and stores data regarding its participants and beneficiaries that contains personal information that is confidential pursuant to the Illinois Personal Information Protection Act (the "Privacy Act") and the Health Insurance Portability and Accountability Act of 1996 ("HIPPA").

## **Purpose**

The Fund has used the legacy system of Access databases since the 1990's. The project timeframe requires testing and completion of the PAS implementation by third quarter of 2022.

The Fund seeks to enter into a business relationship with a PAS vendor that:

- Has a history of successful implementation of comparable projects with agencies of similar size and complexity as the Fund.
- Has a long-term commitment to the pension administration system business and has long-term viability as a company to successfully plan, manage, and execute data conversion.
- Has a product enhancement strategy for both software and functionality and architecture that will keep it current with industry trends, standards, compliance, and regulations.
- Can provide an efficient and proven set of implementation services to ensure the Fund leverages the capabilities of the software to implement new business processes and achieve its business goals.
- Being a hosted solution, will have the staffing and facilities to support the Fund's security, performance, availability reliability, disaster recovery, business continuity, and operational requirements for the long term.
- Provides high quality responsive software maintenance and support services for the installed system.

## **Relationship to the Chicago Park District**

The PEABF receives participant payroll data from the Chicago Park District every two weeks via IronBox. This includes member contributions, hours worked and a disability listing for the pay period.

Separately, the PEABF receives monthly participant insurance updates from the Chicago Park District. Additionally, the PEABF receives notices of retirement or end of employment from the Chicago Park District.

### **Minimum Qualifications**

The following minimum qualifications must be met in order for proposals to be eligible for evaluation:

- The vendor must have been in the PAS solution delivery business for the past five years.
- The vendor must have three references of completed implementations of the equivalent PAS software solution being proposed to the Fund. "Equivalent solution" is defined as either the same version of the application or one major version earlier and for funds with a Defined Benefit (DB) plan and a total membership size of at least five thousand members. These references must be for implementations that are no older than seven years.

### **Mandatory Requirements**

The following mandatory requirements shall be met in order for proposals to be eligible for evaluation:

- The solution must represent a single integrated PAS.
- The solution must have the capability to configure multiple tiers within a plan.

### **Scope of Work**

The scope of work for this RFP includes:

- Full scope of implementation services including initiation, planning, analysis, configuration, testing, training, project management, interface development, etc.
- Full scope of data conversion services including planning, analysis, cleansing, and conversion from multiple data sources.
- Assist the Fund in the development of business processes that leverage the new functional capabilities of the PAS and align with industry best practices.
- Possible implementation of a member portal for member self-service.
- Software maintenance and support.

### **Implementation Scope**

The Fund requires that the implementation delivers the following:

- A stable, robust, and mature software solution integrated with other business systems
- A clean and complete data conversion

- Thoroughly trained staff
- Thoroughly prepared IT support team
- Quality system documentation and support materials

### **Data Conversion Scope**

The data conversion is considered integral to the success of this project. The Fund is seeking a vendor that is capable of ensuring this critical subproject is seamlessly integrated with the software delivery process. At a high level, the scope includes:

- Project planning and maintenance
- Data profiling
- Data cleansing
- Data testing and conversion
- Archiving

The Fund has identified the following scope as being necessary for the PAS vendor to meet in order to complete conversion and population of the highest quality data into its new PAS:

- Develop and publish data conversion/conversion directives
- Analyze and define data
- Conduct data cleansing analysis
- Develop and publish data cleansing reports
- Assist with data cleansing/corrections and test
- Map data to new PAS
- Extract and transform data for use in new PAS
- Develop an on-going strategy for data validation/reconciliation and cleansing to validate and reconcile during data conversion project activities

The data subject areas that need to be converted include but are not limited to the following:

- Active member demographic information
- Terminated member demographic information
- Vested and non-vested (deferred) member demographic information
- Deceased member demographic information
- Retired member demographic information

- Active member beneficiary information
- Retired member beneficiary information
- Active member salary history
- Active member service credit
- Active member retirement contributions
- Active member accumulated contributions with interest (ACWI) information
- Retired member benefits payments information
- Member status information
- Buy back/ redeposit information

### **Functional Scope**

The following key business process areas are in scope for this project:

- Buy backs and purchasing service credit
- Benefit estimate including all optional settlements
- Termination and withdrawal
- Refunds
- Final calculation and new retiree
- Rehired retiree and active member
- Qualified domestic relationship order (QDRO)
- Member demographics
- Active pension contribution and interest posting
- Member statements
- Actuarial Valuation data report
- Provide an option for ad hoc and custom reporting
- Electronic Content Management
- Member/Retiree Self Service
- Integration with Financial Software

### **Hosting Option(s)**

The vendor must propose an option(s) to host all PAS environments at the vendor's location. The system would be accessed securely by Fund staff. The vendor-hosted solution will address the technical and hosting requirements of this RFP. It must also include a separate disaster recovery site in the proposal. The vendor will be responsible for the performance of the solution.

### **Organization Qualifications and Background**

- a. Describe your firm's strengths, highlighting the aspects of your service that make you unique from your competition.
- b. Provide a description of your company, including historical background, number of staff, number and location of offices and information demonstrating the financial strength of your company.
- c. Provide an organizational chart of the proposed team, primary point of contact, and the roles and responsibilities of the team members.
- d. Summarize your organization's long-term strategy for business development.
- e. Detail the percentage of your annual budget allocated toward research and development.
- f. Explain if your organization anticipates any change in ownership or organizational structure.

If providing PAS is not your sole line of business, describe the other services your firm provides and show the percentages of your organization's revenues attributable to the PAS as well as the other lines of services.

### **Clients and References**

- a. Provide a summary of your firm's clients including approximate membership size. Indicate a breakdown by public pension funds, corporate pension funds, Taft Hartley funds, and others.

At a minimum, include:

Total PAS clients:
Total public pension fund clients:

- b. Provide a list of at least three retirement systems (similar in size to this Fund) for which your firm currently provides services. Provide the email address, telephone number, name and title of the person who may be contacted for reference. Please obtain prior authorization for us to contact each reference.
- c. Provide a list of all clients by which your firm was terminated for cause in the past 5 years.

### **Professional Staff**

- a. List the number of staff specifically involved in providing PAS and the number of staff allocated to providing product support, including average years of experience for both service and support.

- b. If specific individuals will be assigned as a support and/or contact for accounts, provide the name(s) and locations of the individuals(s) who will be responsible for this account if your firm is awarded this contract. Provide a brief biography of each member of the team, including titles, functions, relevant work experience, and number of years with your firm.
- c. If more than one person will be assigned responsibility for the account, detail how the responsibility be allocated among those individuals.
- d. Discuss any staffing reductions and additions during the last three (3) years.
- e. Describe the usage of offshore personnel, including employees and subcontractors.

### **PAS Software Services**

- a. Is your system proprietary, or did you obtain it from an outside source?
- b. Describe how your product will address the requirements as outlined in the Scope of Services.
- c. Describe your methodology for project implementation and project management.
- d. Provide a detailed plan regarding your process of data conversion, transition assistance and program testing including business continuance processing.
- e. Provide an estimated timeline for this project from start to completion.

### **Hosting Option(s)**

Vendors shall include detailed information on hosting and support of the application in their response to this RFP if a vendor-hosted option is included in the proposal, and shall include the following:

- a. The data center where the system is located shall meet SOC2 compliance or an equivalent standard.
- b. The vendor shall host the system through the implementation, in addition to hosting the system in production, to determine the bandwidth requirements for the connection.
- c. The vendor shall propose the standard service level agreements it plans on adhering to.

### **Other**

- a. Describe any other services you provide not covered in previous sections.
- b. Provide your firm's levels of insurance coverage for cyber security, general liability, and errors and omission. Will you provide certificates of insurance coverage if your firm is hired and annually thereafter?



## **Conflicts of Interest & Due Diligence**

- a. List any potential conflicts of interest the Respondent may encounter, including but not limited to any business or personal relationship with and of the Fund's Trustees, staff, or vendors. A list of the Fund's current vendors is located at <https://www.chicagoparkpension.org/wp-content/uploads/2018/vendorlistingforwebsite.pdf>.
- b. The PEABF has adopted an Ethics Policy that is located at <https://www.chicagoparkpension.org/wp-content/uploads/2019/02/ethics-pol-201103.pdf>. Respondents, the Fund's trustees, staff, and vendors shall comply with the Ethics Policy at all times.
- c. Provide the details of any threatened or actual legal action, regulatory proceeding, or investigation in the last ten (10) years involving any services provided by the Respondent or its principals or team members.

## **Compensation**

- a. Describe the Respondent's compensation structure for the proposed services discussed in this RFP. State any special considerations with respect to billing or payment of fees and expenses that the Respondent offers and that you believe would differentiate the Respondent and make the Respondent's services more cost effective to the PEABF. State whether any discounted fees are available to the PEABF as a public pension fund. The proposed compensation structure should be the most favorable terms offered to similar clients.
- b. Contingent and placement fees are prohibited, and the Respondent must certify that no fees, commissions, or payments of any type have been or will be paid to any third party in connection with any services provided to the PEABF.
- c. The PEABF is a tax-exempt entity and does not pay Illinois sales tax and sales tax should be excluded from the proposal.

## **Cybersecurity**

The Fund expects that the PAS system and Respondent will comply with industry best practices related to cybersecurity, including but not limited to the U.S. Department of Labor's Cybersecurity Program Best Practices and the requirements of the State of Illinois Cybersecurity Strategy and the NIST Cybersecurity Framework. Describe in detail Respondent's practices with respect to cybersecurity, including the security and protection measures you take to prevent cyber-attacks and security breaches, your expected response time to notify the PEABF of a cyber-attack or security breach, and the actions you will take to remedy such breach and mitigate damages.

## **Term of the Engagement**

The term of the engagement shall be for up to ten years and will be governed by the negotiated contract or agreement.

## **Agreement**

- a. Provide a sample of the Respondent's standard service agreement and any other documentation that would have to be executed by the Fund.

## **PEABF Disclosures**

- a. Identify any subcontractors you would use to provide the requested services and describe in detail what services the subcontractors would provide.

- b. It is the policy of the Fund to encourage vendor participation involving Minority Business Enterprises, Women-owned Business Enterprises, or a Business Owned by a Person with a Disability (“MWDBE”), as such terms are defined in the Illinois Business Enterprise for Minorities, Females and Persons with Disabilities Act. State whether Respondent is a MWDBE and, if so, provide certification. Respondents who are MWDBE and who meet the criteria of this RFP will be considered a finalist.
- c. In addition, Respondents should disclose the following numerical data as part of the information provided to the Fund pursuant to this RFP:
  - (a) The number of the Respondent’s staff who are MWDBE.
  - (b) The number of contracts, oral or written, that the Respondent has in place for consulting services and professional and artistic services that constitute a MWDBE; and
  - (c) The number of contracts, oral or written, that the Respondent has in place for consulting services and professional and artistic services where more than 50% of services performed pursuant to a contract are performed by a MWDBE.

## **Selection Criteria & Process**

### **Selection Criteria**

PEABF will evaluate the responses based on multiple criteria and will select the best overall solution to fit its needs. PEABF is not obligated to select the lowest price bidder. All responses will be evaluated in the following areas:

- Completeness of solution
- Expertise and experience
- Demonstrated customer service quality and support.
- Previous relevant experience
- Vendor strength, stability, and technical ability.
- Account management
- Demonstrated understanding of the work to be performed.
- Financial considerations
- Ability to achieve completion of implementation by stated target date.

### **Selection Process**

All responses will be evaluated as received and included in the following process:

- Review and scoring of the responses, as well as clarification of information as deemed necessary by the evaluation team.
- Identification of up to 2-3 final candidates to conduct in-depth review of capabilities, including possible on-site interviews and presentations.
- Conducting of site visits and/or reference calls as deemed appropriate by the evaluation team.

## Finalist Presentations

The PEABF may hold presentations with one or more Respondents as indicated in the *Key Dates* table. The presentations will likely be held at the PEABF offices at 55 East Monroe Street, Suite 2720, Chicago, Illinois 60603 and we will try to provide the finalist Respondents with as much advance notice as possible.

Task	Est. Completion Date
RFP Distributed	July 16, 2021
Questions Due	July 30, 2021
Questions & Answers Posted	August 6, 2021
RFP Responses Due	August 16, 2021
Response Analysis / Finalists Selection	August 31, 2021
Finalist Presentations	September 16, 2021
MSP Selection / Award Contract	October 1, 2021
MSP “Go Live”	3 <sup>rd</sup> Quarter 2022

## Conclusion

This RFP does not constitute an offer, should not be considered a contract with the PEABF, and the PEABF may amend or terminate this RFP at any time without prior notice. This RFP is solely a request for proposal from qualified Respondents capable of providing a comprehensive web based hosted PAS.

The term of any future engagement will be governed by the negotiated contract or agreement with the PEABF. The Respondent’s response to this RFP is to be prepared at the Respondent’s sole cost and expense.

The information that a Respondent submits will be subject to the Illinois Freedom of Information Act (5 ILCS 140/1 *et seq.*) (“FOIA”). FOIA provides generally that all records in the custody or possession of a public body are presumed to be open to inspection or copying. The PEABF will determine, in its sole discretion, whether the materials prepared in connection with this RFP are subject to public disclosure pursuant to FOIA. By submitting information pursuant to this RFP, the Respondent agrees to indemnify, save, and hold the PEABF harmless from and against any and all claims arising from or relating to PEABF’s complete or partial disclosure of the Respondent’s information if the PEABF determines, in its sole discretion, that such disclosure is required by law.

If a Respondent is interested in providing any information to the Fund related to this RFP, please email the Respondent’s information to [services@chicagoparkpension.org](mailto:services@chicagoparkpension.org). The submission should include a cover letter on letterhead signed by an individual authorized to bind the Respondent and should include a statement that the Respondent can perform the Services described in this RFP and that the offer and the compensation structure will remain in full force and effect for six months from the date of the submission. Note that, under 40 ILCS 5/1-135, any person who knowingly makes any false statement or falsifies or permits to be falsified any record in an attempt to defraud the Fund is guilty of a Class 3 felony.

**Responses will be accepted until 4pm on August 16, 2021.** Any questions regarding the RFP should be submitted by 4pm on July 30, 2021, to [services@chicagoparkpension.org](mailto:services@chicagoparkpension.org). Questions and answers will be posted on August 6, 2021, as additional information on the Fund’s website.