



No. 205

CITY OF ALLENTOWN

RESOLUTION

R - 2021

Introduced by the Administration on December 1, 2021

A Resolution of the City of Allentown, Adopting Procedures to Govern the Procurement of Professional Services Contracts Regarding the City of Allentown's Pension Plans

Resolved by the Council of the City of Allentown, That

WHEREAS, the Municipal Pension Plan Funding Standard and Recovery Act, Act of December 18, 1984, P.L. 1005, No. 205, as amended, 53 P.S. 895.101 et seq., (hereinafter, the "Act") imposes requirements on municipal pension plans;

WHEREAS, the Act of September 18, 2009, P.L. No 44, (hereinafter "Act 44") amended the Act by creating "Chapter 7-A. STANDARDS FOR MUNICIPAL PENSION SYSTEMS", 53 P.S. §895.701-A – 53 P.S. §895.707-A, among other things, imposes procedures to select qualified persons to enter into professional services contract regarding municipal pension plans;

WHEREAS, these requirements of Act 44 are mandatory on the City of Allentown and its pension plans;

WHEREAS the City of Allentown resolves to make clear its intention to be bound by the Act and by Act 44;

WHEREAS, the City of Allentown adopts and hereby ratifies the adoption of standards in order to comply with the provisions of the Act.

NOW, THEREFORE, Allentown City Council hereby RESOLVES as follows:

1. **Standards.** The Standards set forth in Chapter 7-A of the Municipal Pension Plan Funding Standard and Recovery Act shall apply to all professional services for City of Allentown pension plans, both the City of Allentown Aggregate Pension Fund and the City of Allentown Officers' and Employees' PMRS Pension Plan.
2. **Request for Professional Application(s) Including Disclosures:** Regarding the Municipal Pension Plan, applications will be drafted at the time a professional services contract is needed. The application provisions will address the firm's qualifications, experience, expertise, and compensation to be charged. An Act 44 compliant Disclosure Form will be included in the application. This is not subject to a requirement that the lowest bid be accepted; but, rather, shall be awarded to the most qualified firm.

3. **Advertisement:** City of Allentown will advertise the request for a professional services contract, relative to the Municipal Pension Plan, to potential participants or candidates in a timely and efficient manner. An advertisement of the Request for Proposals (“RFP”) for a contract shall include:
 - A. The services that are the subject of the proposed contract.
 - B. Specifications relating to the services.
 - C. Procedures to compete for the contracts; and
 - D. Required disclosures under Act 44, 53 P.S. §895.705-A, and City of Allentown Ordinances.
3. **Review:** City of Allentown shall establish a procedure to review each application and to interview the identified most desirable Candidate to select the most qualified applicant. The procedure shall include a review of the applicant’s qualifications, experience and expertise and the compensation to be charged.
4. **Personnel:** Prior to entering into a Contract, the firm shall disclose the names and titles of each individual who will be providing professional services to the municipal pension system, including advisors or subcontractors of the firm.

Disclosure under this subsection shall include all of the following:

- A. Whether the individual is a current or former official or employee of the municipality entering into the contract.
 - B. Whether the individual has been a registered Federal or State lobbyist.
 - C. A description of the responsibilities of each individual with regard to the contract.
 - D. The resume of an individual included in the disclosure shall be provided to Council upon request.
 - E. The information under this subsection shall be updated as changes occur.
5. **Conflict of Interest:** A conflict of interest described below shall disqualify an applicant from being considered for appointment as the professional advisor to the municipal pension plan. Within a period of one year prior to the award of the professional services contract:
 - 1) No contractor or former employee of a contract or potential contractor shall have participated in the review of a proposal or negotiation of a contract between the City and the contractor.
 - 2) No employee or former employee of the City shall have participated in the preparation, review, or submission of a proposal by a contractor for professional services regarding the administration of the municipal pension plan.
 6. **No Political Contributions:** A person or affiliated entity that has made a contribution to a City of Allentown Official or Candidate for office within the past two (2) years cannot enter into a Contract.

7. **No Gifts:** A person with a Contract may not offer or confer a gift having more than nominal value to any official, employee, or fiduciary of the City of Allentown.
8. **Public Information:** Following the award of a Contract, all applications and disclosure forms shall be public except for proprietary information or other information protected by law.
9. **Notification and Posting of Proceedings:** The relevant factors that resulted in the award of the Contract must be summarized in a written statement and included in, or attached to, the documents awarding the Contract. Within ten (10) days of the award of the Contract, and at least seven (7) days prior to the execution of the Contract, the original application, a summary of the basis for the award, and all required disclosure forms must be transmitted to all unsuccessful applicants and posted on the City's website.
10. **Increase:** A Contract shall not be amended to increase the cost of the Contract by more than ten (10%) percent or Ten Thousand (\$10,000.00) and 00/100 Dollars, whichever is greater, unless the increase and a written justification for the increase are public and posted on the City's website at least seven days prior to the effective date of the Amendment.
11. **Repealer:** All other Resolutions or parts of Resolutions which are inconsistent with the terms of the Resolution are hereby repealed to the extent necessary to give full effect to the provisions of this Resolution.
12. **City of Allentown Ethics Code.** All procurements shall comply with all applicable City of Allentown Ethics provisions relating to the procurement of services.

LEGISLATIVE TEMPLATE

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

This is originating from the Purchasing Department. The initiative came from there being an Act 44 finding in our audit report from David Africa.

- **Summary and Facts of the Bill**

This resolution is to ensure the City follows the requirements of Act 44. The resolution outlines the procedure that should be followed in regards to the Municipal Pension Plan. The resolution also clearly states there is to be no conflict of interest in regards to the contractor and the City.

- **Purpose – Please include the following in your explanation:**
 - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
 - **What are the Benefits of doing this/Down-side of doing this**
 - **How does this Bill related to the City’s Vision/Mission/Priorities**

This bill adopts the procedures to govern the procurement of professional services contracts regarding the Non-Uniformed employees pension plans. This resolution benefits the City as we will no longer continue to have a finding in our audit process. Purchasing will follow the procedure that is indicated in this resolution.

- **Financial Impact – Please include the following in your explanation:**
 - **Cost (Initial and ongoing)**
 - **Benefits (initial and ongoing)**

There is no financial impact in regards to this resolution.

- **Funding Sources – Please include the following in your explanation:**
 - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

There will be no funds in regards to this resolution.

- **Priority status/Deadlines, if any**

December 1st Council meeting request

- **Why should Council unanimously support this bill?**

Council should support this bill as we need a resolution in regards to Act 44. If we do not have an approved resolution there will be another audit finding.