



**LOS ANGELES FIRE AND POLICE PENSION PLAN**

**Request for Proposals**

**Tax Reclaim Support Services**

**Issue Date: June 3, 2022 | Responses Due: July 1, 2022**

The Los Angeles Fire and Police Pension Plan (LAFPP) is a defined benefit public pension plan serving approximately 26,500 active and retired Plan members and beneficiaries. The Plan is directed by the nine-member Board of Fire and Police Pension Commissioners and is administered by the City of Los Angeles’ Department of Fire and Police Pensions.

The Plan’s assets are managed externally by investment management firms and advisors under contract to the Board and monitored by an in-house Investment Staff. The current total value of the pension fund as of March 31, 2022 is approximately \$31.2 billion and is custodied by Northern Trust. Approximately \$5.77 billion represent securities maintained in international equity separately managed accounts. Portfolio Structure by Reported Asset Class is reflected in tabular format below with separately managed accounts designated with “SA”.

<b>Domestic Equity</b>	AllianceBernstein S&P 500 Core Index (SA)	\$2,578,593,458
	AllianceBernstein R1000 Growth Index (SA)	\$1,700,757,125
	Northern Trust S&P 500 Eql Wtd Index (SA)	\$1,231,389,919
	AllianceBernstein US Systematic Value (SA)	\$788,282,497
	Frontier Small Cap Growth (SA)	\$570,833,963
	Boston Partners Large Cap Value (SA)	\$540,239,500
	Northern Trust STOXX USA 900 Min Variance (SA)	\$536,527,610
	AllianceBernstein Small Cap Value (SA)	\$233,224,720
	Westwood Small Cap Value (SA)	\$216,803,171
	PIMCO StocksPLUS (SA)	\$208,191,404
	AllianceBernstein S&P 600 Index (SA)	\$145,306,304
	Palisade Small Cap Core (SA)	\$81,767,628
	Denali Advisors Small Cap Value (SA)	\$76,772,436
	Channing Small Cap Value (SA)	\$73,282,260
	Phocas Small Cap Value (SA)	\$72,387,072
Lisanti Small Cap Growth (SA)	\$65,000,384	



Los Angeles  
**Fire & Police Pensions**  
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	Eastern Shore Small Cap Core (SA)	\$57,656,516	
	Domestic Small Cap Equity Transition Account (SA)	\$1,601	
	Domestic Large Cap Equity Transition Account (SA)	\$0	
<b>International Equity</b>	Brandes Int'l Large Cap (SA)	\$1,367,881,322	<b>\$5,769,818,359</b> <b>TOTAL International Equity Separate Accounts Excluding Tax Reclaim Holding Account and Residual Transition Account</b>
	BlackRock EAFE Index (SA)	\$1,306,654,361	
	Baillie Gifford ACWI Ex US Alpha (SA)	\$1,165,374,655	
	DFA Emerging Markets (SA)	\$926,511,381	
	Harding Loevner Emerging Markets (SA)	\$491,793,605	
	Victory Trivalent Int'l Small Cap Core (SA)	\$253,835,791	
	Principal Int'l Small Cap Core (SA)	\$220,046,071	
	Boston Common Int'l Large Cap (SA)	\$37,721,173	
	International Tax Reclaims (SA)	\$2,012,748	
	International Equity Transition Account (SA)	\$92,817	
<b>Fixed Income</b>	Reams Asset TIPS (SA)	\$1,255,644,751	
	Payden & Rygel Unconstrained FI (SA)	\$817,127,705	
	Reams Asset Unconstrained FI (SA)	\$814,609,825	
	Reams Asset Core Plus Fixed Income (SA)	\$801,950,871	
	Northern Trust B Agg Index (SA)	\$750,325,694	
	Loomis Sayles Long Duration (SA)	\$717,177,115	
	MacKay Shields High Yield (SA)	\$673,408,068	
	LM Capital Core Fixed Income (SA)	\$327,387,594	
	GIA Partners Fixed Income (SA)	\$54,336,317	
	Semper MBS (SA)	\$52,870,610	
<b>Real Estate</b>	Private Real Estate	\$1,676,834,875	
	Cohen & Steers US REITS (SA)	\$898,923,996	
	Principal US REITS (SA)	\$745,285,304	
	AllianceBernstein Global REITS Index (SA)	\$276,802,542	
	Principal Global REITS (SA)	\$237,162,085	
<b>Private Equity</b>	Private Equity	\$4,885,844,394	
<b>Commodities</b>	AllianceBernstein S&P Natural Resources (SA)	\$384,766,269	
	Portfolio Advisors Commodities	\$163,223,233	



	AllianceBernstein S&P Agribusiness (SA)	\$110,152,197
	AllianceBernstein DJ Brookfield Gbl (SA)	\$89,527,665
	AllianceBernstein S&P Water (SA)	\$78,688,019
	AllianceBernstein S&P Timber (SA)	\$78,273,974
	AllianceBernstein Gbl Clean Energy (SA)	\$42,411,561
<b>Cash</b>	Cash Equivalents	\$355,666,309

Additional detail on current holdings and income received may be shared with proposers selected as finalists in order to support additional refinement of proposals.

The Board is seeking proposals from qualified tax, accounting, legal and/or specialized advisory firms that are qualified and capable of providing certain global tax agent and consulting services to LAFPP. LAFPP is a tax-exempt entity for US tax purposes and therefore is not seeking any services with regard to US tax requirements.

Firms meeting the below listed minimum criteria are invited to complete and return the Request for Proposal (RFP) Questionnaire and supporting documents discussed below.

Consulting firm RVK, Inc. is supporting the LAFPP with this RFP process.

### **Minimum Requirements:**

Qualifying firms must meet the following minimum requirements as of March 31, 2022:

1. Proposers must have at least five (5) years of continuous organizational experience providing global tax advisory; tax reclaim monitoring; and tax reclaim filing services.
2. Proposers must have at least 1 current US domiciled asset owner client for whom they are providing the requested services

A clear statement affirming minimum qualifications and outlining the evidence that supports such qualification is required as part of the executive summary.



## **Scope of Services**

The selected firm will assist LAFPP in identifying foreign tax withholding recovery opportunities that the Master Custodian will not pursue. The selected Proposer contracted to provide the following 6 services (1 historical at inception; 4 ongoing services; and 1 prospective optional service):

1. **Historical:** Provision of a 5-year look-back review of custodial filings and historical stop-gap tax reclaim filings
2. **Ongoing:** Tax withholding, reclaim, and process monitoring and reporting, including support with current tax profile maintenance
3. **Ongoing:** Stop-gap filings to supplement custodian exemption; relief at source; and reclaim processes, including those below custodial “de minimis” amounts
4. **Ongoing:** Analysis and pursuit (with documentation support) of additional relief at source or tax reclaim under double tax treaties (if not supported by Custodian, or supplemental support to complete market documentation)
5. **Ongoing:** Analysis and pursuit (with documentation support) of additional tax exemption under local laws (if not supported by Custodian, or supplemental support to complete market documentation)
6. **Prospective / LAFPP Option:** Ongoing analysis and pursuit (with documentation and legal support) of extraordinary tax withholding recovery under European Court of Justice and similar global venues

In addition, the firm selected will be required to:

- Comply with the Board’s Contractor Disclosure Policy<sup>1</sup>
- Comply with the Board’s Marketing Cessation Policy<sup>2</sup>
- Act as a fiduciary with respect to the Plan
- Obtain a City of Los Angeles Business Tax Registration Certificate<sup>3</sup>
- Have General Liability, Professional Liability, Fiduciary Liability, Workers’ Compensation and Employer’s Liability Insurance. Proof of Insurance must be submitted to the Department of Fire and Police Pensions prior to execution of the contract.

The City of Los Angeles requires its contractors to comply with City policies on Affirmative Action, Americans with Disabilities, Child Support and Minority and Women Business Enterprises. Related forms for with these compliance items and the Board’s Contractor Disclosure Policy are available on the Department’s website adjacent to the RFP Questionnaire<sup>4</sup>. The Contractor Disclosure form must be completed and submitted with the Questionnaire.

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1 Available at: <https://www.lafpp.com/post/resources>

2 Available at: <https://www.lafpp.com/sites/main/files/file-attachments/investments-marketing-cessation-policy-10-16-14.pdf>

3 More information available at: <https://business.lacity.org/start-business/register-your-business/business-tax-registration-certificate>

4 Available at: <https://www.lafpp.com/requests-proposals>



*Standard Provisions:* Please note that LAFPP's service contracts are exempt from PSC nos. 28-29, 31, 33-36, and 41.

*Nondiscrimination, Equal Employment Opportunity (EEO) and Affirmative Action:* Effective June 26, 2016, the City of Los Angeles amended the City's Nondiscrimination, Equal Employment Opportunity (EEO) and Affirmative Action Programs. As of July 1, 2016, the process of completing and uploading forms on the Los Angeles Business Assistance Virtual Network are no longer required for these provisions. Instead, language addressing these provisions will be inserted into the contract.

The City of Los Angeles and the Board of Fire and Police Pension Commissioners' policies prohibit fiduciaries of the Plan from soliciting contributions and restrict fiduciaries' participation in the contracting process. Attention is directed to the City's Ethics Commission web site at <http://ethics.lacity.org>, and to the Board's Contractor Disclosure Policy and Marketing Cessation Policy. Questions may also be directed to the Los Angeles City Attorney's Office, Retirement Benefits Division at (213) 978-4400.

Persons who submit a response to this solicitation (bidders) are subject to Charter section 470(c)(12) and related ordinances. Proposers seeking to contract with the City of Los Angeles for goods or services contracts of a value of more than \$25,000 and a term of at least three months acknowledge and agree to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if they qualify as a lobbying entity under Los Angeles Municipal Code Section 48.02.

Bidders must submit CEC Form 50 to the awarding authority at the same time the response is submitted. Responses submitted without a completed CEC Form 50 shall be deemed nonresponsive. Bidders who fail to comply with City law may be subject to penalties, termination of contract, and debarment. Additional information regarding these restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or <http://ethics.lacity.org>.



## **Submission Procedures and Schedule**

Please complete all questions in the order they are presented in the RFP Questionnaire. Include all questions and question numbers in your responses.

Responding firms must submit one hard copy of their comprehensive response to the following address for delivery on or before 4:00pm Pacific Daylight Time on July 1, 2022:

**Department of Fire and Police Pensions**  
Investment Section, Attn: LAFPP Tax Reclaim Services RFP  
701 East 3rd Street Suite 200  
Los Angeles, CA 90012-4203

Responding firms must also submit an electronic version of their comprehensive response to the following contacts at the LAFPP and RVK, Inc. completed Questionnaire and a completed set of the City's contract compliance forms in a digital format by e-mail on or before 4:00pm Pacific Daylight Time on July 1, 2022 to:

**RVK, Inc.**  
[IOSG@rvkinc.com](mailto:IOSG@rvkinc.com)

**Department of Fire and Police Pensions**  
[eq@lafpp.com](mailto:eq@lafpp.com)

Questions concerning the RFP may be emailed to [IOSG@rvkinc.com](mailto:IOSG@rvkinc.com).

The steps in the RFP process are as follows:

- RFP sent to short list of firms and posted online: June 3, 2022
- Deadline for submission of proposals: July 1, 2022
- Quantitative and qualitative review of RFP responses by LAFPP Investment Staff and consultant
- Semi-finalist firms identified for further due diligence
- Semi-finalist review by LAFPP Staff and consultant
- **At the Board's discretion:**
  - Finalist firms identified and approved by LAFPP Board
  - Finalists interviewed by LAFPP Board and selection of firm
  - Contract negotiations between selected firm and LAFPP
  - Tax Reclaim Services contract signed by Board President
  - Services begin



## **Evaluation Criteria**

The following evaluation criteria elements will be considered for which proposals will be evaluated and a recommendation for award will be developed:

- Organizational Experience, Background and Stability
- Assigned Personnel, Client Servicing Approach, and Client References
- Resources, Processes, and Supporting Technology to Provide Services
- Contracting, Onboarding, and Ongoing Quality Assurance
- Proposed Fees and Revenue Model
- Quality, Clarity, and Responsiveness of RFP Response and Presentations (as applicable)



## **Request for Proposals Questionnaire**

### **A. Executive Summary/Scope of Work**

1. Provide an executive summary of your tax reclaim business unit, including:
  - a. A description in detail of how the Historical, Ongoing, and Optional Scope of Work will be accomplished and your firm's willingness to provide services for each component (or unwillingness, if and as applicable)
  - b. An affirmation of meeting the Minimum Requirements listed above, explicitly identifying:
    - Number of years of continuous organizational experience providing global tax advisory; tax reclaim monitoring; and tax reclaim filing services.
    - Number of current US domiciled asset owner clients for whom requested services are currently provided.
  - c. A description of any subcontractors or affiliates that are being proposed to fulfill services set forth in this RFP
  - d. A description of your relevant experience providing tax reclaim services to US public pension fund clients
  - e. A description of differentiations on your organization relative to other tax reclaim service providers, including global presence and organizational structure. What value does your organization provide to clients?
  - f. A description of any additional resources you may provide LAFPP in connection with tax reclaim and tax advisory services
  - g. Please list the minimum recovery threshold, if any, that apply to the services sought by this RFP.

### **B. Organizational Experience, Background and Stability**

2. Please provide the following information:
  - a. Name of the firm
  - b. Complete address of firm headquarters
  - c. Telephone number
  - d. Month and year the firm was founded
3. Please provide the following information regarding the primary contact person(s) for the product under consideration:
  - a. Contact name
  - b. Address
  - c. Telephone number
  - d. Email address
4. What is your firm's legal business structure?





5. Please provide an organizational chart for the firm
6. If owned by another firm, what percentage of the parent company's revenue does your firm contribute? Please indicate how the percentage of revenue has changed over the life of the arrangement or the last 10 years.
7. Include any affiliated companies, joint ventures, and other entities that contribute in some way to your firm's investment and operational management.
8. List all firm owners, whether they are individuals, employees, or partnerships and percentage ownership held by each.
9. What are the criteria for an employee to become an owner?
10. Can the firm be classified as minority- or women-owned? Please indicate the percentage ownership (each) of minority, women, LGBTQ, and disabled veterans.
11. What is your firm's competitive advantage? Is it sustainable? Why or why not?
12. Describe any material developments in your organization (changes in ownership, personnel, business, etc.) over the past five years in detail.
13. How many offices does your firm maintain?
14. If you maintain more than one office, identify the locations, number of employees, and describe the functions performed at each location.
15. Describe how your office location strategy provides differentiated benefits to your tax reclaim monitoring service clients.
16. What is the primary location for the proposed team?
17. How has COVID and post-COVID activities impacted how/where employees work? What personnel resources are currently working remotely, and what percentage of total staff? Are there any known plans for a return to the office?
18. Provide an organizational chart of the tax reclaim services unit, as well as an organizational chart showing the position of the unit within your overall management structure.
19. Have there been any structural changes (e.g., ownership/structure, mergers and acquisitions, products, etc.) to the firm in the past three years? If yes, please explain.



20. Are there any structural changes contemplated in the next year (e.g., ownership/structure, mergers and acquisitions, products, etc.)? If yes, please explain.
21. Is there any pending or threatened litigation against the firm or any of its officers, directors, or principals? If so, please explain.
22. Is there any pending or threatened regulatory action, or any past regulatory action, against the firm or any of its officers, directors, principals, and/or has the firm been contacted regarding any potential inquiries or investigations? If so, please explain.
23. Have any of your firm's officers, directors, or principals ever been convicted of a felony?
24. What potential conflicts of interest are posed by other activities undertaken by the organization, if any? How does the firm identify and manage them?
25. Outline your firm's **total global** client base by asset level using the following table:

Client Segment	<\$1 billion	\$1-10 billion	\$10 billion-\$100 billion	>\$100 billion	TOTAL
Asset Manager / Fund					
Insurance Company					
Pension / Retirement Fund					
Other Client (please describe)					
Description of Other					

26. Outline your firm's **total US** client base by asset level using the following table:

Client Segment	<\$1 billion	\$1-10 billion	\$10 billion-\$100 billion	>\$100 billion	TOTAL
Asset Manager / Fund					
Insurance Company					
Pension / Retirement Fund					
Other Client (please describe)					
Description of Other					



27. Describe your firm's experience supporting tax relief and reclaim mechanisms globally.
28. Does your firm maintain any differentiated or preferential access and/or relationships with foreign tax offices? If so, please describe fully and how such access and/or relationships provide value to clients.
29. Describe the range of services offered and how they align with the scope of services outlined by the LAFPP.
30. Outline the countries, reclaim jurisdictions, and tax recovery / exemption types that your firm currently supports?
31. Other business disclosures and conflicts of interest:
  - a. Do you derive revenue from any other line of business not directly associated with the services contemplated by this RFP?
  - b. Does the Firm or any of its employees have any contractual or business arrangements with any other securities, brokerage, custodial, auditing or investment management firms that may lead to a conflict of interest? How do you handle any potential conflicts of interest?

**C. Assigned Personnel, Client Servicing Approach, and Client References**

32. As of March 31, 2022, please provide the total number of firm employees and the number of professionals involved in tax reclaim and related services.
33. Provide biographies of the key professionals that would provide services to LAFPP.
34. Provide the following information for the personnel responsible for providing services to LAFPP, including:
  - a. Name
  - b. Title
  - c. Years working at firm
  - d. Years of industry experience
  - e. Number of clients currently servicing
35. Who would be named the lead and backup client service/relationship management professional for this account, if different from above?
36. Does your firm have a succession plan for key personnel on this product? If so, please describe.
37. Provide the number of professionals that have joined the firm in the last three years.



38. Provide the number of professionals that have left the firm in the last three years.
39. Discuss how services are offered and coordinated for clients similarly situated to LAFPP. What differences (given LAFPP's scope) might be required, if any?
40. Please provide at least two client references (at least one of which must be an asset owner) to which your firm is currently providing tax reclaim and/or tax reclaim advisory services. Please include contact details
41. Provide the name, address, contact name and title, contact telephone number and email address for at least 3 existing clients for whom your firm has provided tax recovery services. Indicate the length of your relationship, nature of the services provided, the type of client (public, corporate, Taft-Hartley, private, etc.), and asset size for each reference. If three accounts are not available, please explain why.

**D. Resources, Processes, and Supporting Technology to Provide Services**

42. For each of the requested scope of service components, provide a high level overview of your firm's approach and ability to provide the required services.
43. Are sample reporting examples or process flow charts available?
44. Describe how information flow between our custodian, Northern Trust, and your firm would work?
45. What evidence of successful integration for common clients with Northern Trust can your firm offer? Please provide a case study or illustrative example related to a common client with Northern Trust as possible.
46. Does your firm take custody of any assets, including cash (such as cash payments representing tax reclaim payments from foreign tax authorities)? Describe your structure and approach fully and outline your firm's willingness to structure a risk aware approach and to ensure an ongoing sweep of funds to Northern Trust to limit exposure.
47. Describe your technology capabilities and relate them to the firm's tax reclaim services. Do you provide any custom computer-based analytical tools to clients? If so, please provide details.
48. Include a description of the research and other technical resources, including online databases and computer based analytical tools, that you make available for your clients.



49. Discuss your firm's tracking system for changes in tax laws applicable to the services described in this RFP.
50. Describe the major components of your firm's business continuity and/or disaster recovery plan as well as any regular assurance and/or testing performed.
51. Does your firm currently have a chief information security officer or an equivalent position?
52. Describe your company's processes and protocols for dealing with cyber threats.
53. Does your company conduct periodic internal security assessments to identify cyber security threats, vulnerabilities and potential business consequences?
54. Does your company conduct an annual independent assessment of its cyber security processes and systems? If so, please provide name of the independent organization and describe its testing process.
55. Does your firm receive a periodic review of internal controls related to services such as an SSAE 18 SOC 1, SOC 2 or other reporting and/or similar certifications or reviews?
  - a. If yes, please provide a copy with your response or provide an affirmation of your willingness to share at a later stage of the process.
  - b. If no, please discuss information on your internal control environment and how the integrity of your security, information access, service provision, reporting and other similar areas are maintained to give additional institutional assurance.
56. Does your firm have errors and omissions, fiduciary liability, or any other relevant insurance, including for cybersecurity?
  - a. If yes, please list the names of the insurance companies, the dollar amount of the coverage, and the coverage period. If no, please explain why not.
  - b. Has your firm ever made a claim against its fiduciary liability or errors and omissions or similar insurance policy? If so, please explain.
  - c. Has the firm or any of the key principals, including any board or Manager members, ever been denied coverage for errors and omissions, directors and officers, or fiduciary liability insurance? If so, please provide a detailed explanation of the reasons given by the carrier(s) for such denial.

#### **E. Contracting, Onboarding, and Ongoing Quality Assurance**

57. Please provide a sample of your service agreement. If multiple agreements (or exhibits) are required to contemplate the proposed services identified in the scope of services, please provide.



58. Do you require a minimum length for the agreement(s)? If so, please specify the length and explain why.
59. Please provide any POA or other documentation that needs to be executed by LAFPP if your firm is retained.
60. Please provide your clients' onboarding documentation and describe the onboarding process and timeline.
61. Please list the custodians that you currently work with, describe the access you will need to the custodians' records, and identify the issues, if any, that you have encountered when dealing with clients' custodians.
62. Please explicitly discuss your experience working with and onboarding clients using Northern Trust.
63. How is client satisfaction measured? What level of service quality assurance, if any, is provided?
64. Provide a review of how your firm would implement a transition process to begin services to LAFPP. This review should include an explicit estimate of the timeline required and include a sample draft transition plan.

**F. Proposed Fees and Revenue Model**

LAFPP seeks clearly disclosed fixed and/or variable (i.e. contingency fee-based) proposals for the different scope of service components.

65. Discuss your firm's general approach to fees.
66. Outline any material assumptions that your firm is making with regard to proposals made for this scope of services and opportunity.
67. Identify your firm's willingness to negotiate fees offered.
68. Please provide a fee quote for the services requested in the Scope of Work section of this RFP.

<b>Scope of Service Component</b>	<b>Fixed Fees, if any</b>	<b>Variable Fees (e.g. contingent recovery)</b>	<b>Comments / Limitations / Assumptions</b>
<b>Historical:</b> Provision of a 5-year look-back review of custodial filings and historical stop-gap tax reclaim filings			



Scope of Service Component	Fixed Fees, if any	Variable Fees (e.g. contingent recovery)	Comments / Limitations / Assumptions
<b>Ongoing:</b> Tax withholding, reclaim, and process monitoring and reporting, including support with current tax profile maintenance			
<b>Ongoing:</b> Stop-gap filings to supplement custodian exemption; relief at source; and reclaim processes, including those below custodial “de minimis” amounts			
<b>Ongoing:</b> Analysis and pursuit (with documentation support) of additional relief at source or tax reclaim under double tax treaties (if not supported by Custodian, or supplemental support to complete market documentation)			
<b>Ongoing:</b> Analysis and pursuit (with documentation support) of additional tax exemption under local laws (if not supported by Custodian, or supplemental support to complete market documentation)			
<b>Prospective / LAFPP Option:</b> Ongoing analysis and pursuit (with documentation and legal support) of extraordinary tax withholding recovery under European Court of Justice and similar global venues			

69. Please identify any other expenses (not included above), if any, that your firm intends to or may charge to LAFPP. Please describe the approach your firm will take to control any additional costs to LAFPP.



70. Does your firm anticipate passthrough costs associated from your services from our custodian, Northern Trust, or local market tax authorities? Please outline fully and describe your firm's willingness (or lack thereof) to assume financial responsibility for such passthrough costs.
71. Please describe and clearly propose implementation fees, if any, that your firm intends to charge LAFPP.
72. What fee level guarantees, if any, is your firm willing to offer?