

KENTUCKY RETIREMENT SYSTEMS
REQUEST FOR PROPOSALS
LEGAL SERVICE PROVIDER FOR
GENERAL LEGAL REPRESENTATION
2016

I. PURPOSE AND BACKGROUND

A. PURPOSE

Kentucky Retirement Systems (“KRS”), a quasi-independent state agency, is currently accepting proposals from qualified firms and attorneys to provide professional legal services as outside legal counsel for general legal representation including bankruptcy. (“Provider”).

B. BACKGROUND

KRS is a qualified “governmental” defined benefits plan, established pursuant to §401(a) of the Internal Revenue Code, that is responsible for the investment of funds and the administration of pension and health insurance benefits for its members. KRS administers three (3) separate retirement plans for various state and local government employees and an insurance trust. These plans include: Kentucky Employees Retirement System (KERS) for hazardous and non-hazardous employees of the Commonwealth, County Employees Retirement System (CERS) for hazardous and non-hazardous employees of approximately 1,400 city and county agencies, and State Police Retirement System (SPRS) for all uniformed Kentucky State Troopers. As of June 30, 2016, KRS served a combined total of 364,710 active, inactive, and retired members in the three combined systems. KRS administers approximately \$15 billion in assets.

Management of KRS is vested in a Board that consists of seventeen (17) directors. Ten (10) directors are appointed by the Governor of the Commonwealth of Kentucky, two (2) directors are elected by the membership of the Kentucky Employees Retirement System, three (3) directors are elected by the membership of the County Employees Retirement System, and one (1) director is elected by the membership of the State Police Retirement System. The Secretary of the Personnel Cabinet is an ex-officio director. Board meetings are open to the public and comply with the Kentucky Open Meetings statutes found at KRS 61.800-850 *et.seq.* The Board stands in a fiduciary relationship to all members of KRS. Administrative management of KRS is vested in an Executive Director who is appointed by the Board. KRS employs approximately 256 staff members at its location in Frankfort, Kentucky.

KRS administers a health insurance trust (established pursuant to IRC §115) and 401(h) accounts to assist in funding its retiree health care obligations. KRS 61.701 establishes the "Kentucky Retirement Systems Insurance Fund" as a separate fund to provide fringe benefits to recipients of the Kentucky Employees Retirement System, County Employees Retirement System, and State Police Retirement System. KRS 61.702 provides that all amounts necessary to provide for insurance benefits shall be paid to the insurance fund. The Board administers the fund in the same manner as the retirement funds.

This RFP is posted on KRS website at <http://kyret.ky.gov>. All notifications, releases, and amendments will be posted to the website. Kentucky Retirement Systems will make no attempt whatsoever to contact bidders with updated information. It is the sole responsibility of each individual bidder to periodically check the website for updated information.

This RFP is not subject to the provisions of KRS Chapter 45A (the Kentucky Model Procurement Code), but rather is issued in accordance with the specific statutory authority granted by KRS 61.645(2)(d). Proposals will be accepted and considered from any attorney or law firm that meets the minimum qualifications and is willing and able to provide all the services outlined in the relevant Scope of Services section or sections of this RFP. All qualified firms and attorneys are encouraged to respond.

II. SCOPE OF SERVICES: GENERAL LEGAL REPRESENTATION

Legal services will be provided on a strictly as-needed basis, and there will be no guarantee of any minimum amount of work. Services will include, but not necessarily be limited to, the following:

- Represent KRS in federal or state litigation or in administrative hearings whenever KRS determines that it would be in its best interest for the Provider to represent it. Upon KRS' request, the Provider may coordinate litigation strategies with other Providers who may also represent KRS in legal matters;
- Represent KRS in other general legal matters;
- Represent KRS in bankruptcy actions;
- Provide oral and written opinions on a wide variety of legal matters;
- Provide legal advice on proposed state and federal legislation;
- Attend Board of Directors and/or Committee meetings if requested to do so;
- Provide training as needed; and
- Provide other legal services as requested by KRS.

III. PROPOSAL SUBMISSION DIRECTIONS AND PROCEDURAL INFORMATION

A. INSTRUCTIONS FOR SUBMITTING A PROPOSAL

- 1) Providers responding to this RFP must completely respond to all the information requests and questions contained in Part IV of this RFP. All proposals must be complete in every respect and must address all of the questions raised in the RFP. Sufficient supporting documentation should be included whenever possible. Incomplete submissions will be deemed non-responsive and will not be considered in the selection process. Late submissions will not be accepted, and will be returned unopened to the Provider.
- 2) Proposals shall be accompanied by a cover letter providing factual and verifiable information that the Provider meets all of the minimum qualifications set forth in Part IV of this RFP and is willing and able to provide all the services requested. The cover letter must indicate that the signer is authorized to contractually bind the Provider, and include the title or position of the signer.
- 3) The cover letter, the proposal itself, and any clarifications to the proposal, must be signed by an officer, designated agent, or principal who has legal authority to bind the Provider in contract.
- 4) When preparing proposals, please use Microsoft Word format for all text and Microsoft Excel format for any spreadsheets.

- 5) Proposals should mirror the order of questions as they are asked in Part IV of this RFP. In response to each question, please restate the main request/question (denoted by number) in bold font followed by your answers stated in regular font. Responses should be thorough and pertinent to the particular question.
- 6) Any supporting material or documentation must be clearly referenced to the appropriate question. Advertisements or strictly promotional materials should not be used and may disqualify the Provider from further consideration.
- 7) Any proprietary or confidential information must be prominently marked as such. Information that is not clearly designated as proprietary in nature will be subject to disclosure under the Kentucky Open Records Act; KRS Chapter 61, *et seq.*
- 8) All questions relating to this RFP shall be directed to Angela Stevens, Administrative Specialist III. Questions will only be accepted during the formal Inquiry Period specified in Part V of this RFP. Written questions can be sent to the mailing address specified below or e-mail questions to: angela.stevens@kyret.ky.gov. Written responses to questions will be posted on KRS' website.
- 9) Communicating, either directly or indirectly on the topic of this RFP, with any other of KRS' employees or Board members during the RFP process will result in immediate disqualification from the selection process. See Section C, below.
- 10) Proposals shall be submitted to KRS by the close of business, **4:30 p.m. EST, on November 7, 2016**. Faxed copies are not considered a qualifying response, and will not be reviewed. All responding Providers shall submit ten (10) hard copies of the proposal, along with an electronic copy saved in .pdf format on a CD, to the following address:

ATTN: Angela Stevens
Administrative Specialist III
Kentucky Retirement Systems
1260 Louisville Road
Frankfort, KY 40601

- 11) All proposals should be placed in a sealed envelope and clearly marked "RFP – LEGAL SERVICE PROVIDER FOR GENERAL LEGAL REPRESENTATION."

B. REJECTION OF PROPOSALS

- 1) Kentucky Retirement Systems reserves the right to reject any or all proposals received in response to this solicitation, due to noncompliance with the RFP, or for any other reason. Any and all expenses incurred by responding to this RFP are the sole responsibility of the Provider. KRS will not pay for any information requested herein, nor will it reimburse any costs incurred by the submitting Provider.
- 2) After the evaluation of all qualified proposals and final Board approval, all Providers who submitted qualified proposals will be notified of the successful bid. Providers whose proposals did not meet the mandatory requirements will be notified of that fact.
- 3) KRS specifically reserves the right to not hire or to defer the hiring of any Provider under this RFP if such action is deemed to be in the agency's best interest.

C. NO CONTACT POLICY

Respondents shall not contact any member of the Kentucky Retirement Systems' staff concerning the procurement process until after the process is completed, unless the content of the communication is first submitted in writing addressed to the designated contact for this RFP, Angela Stevens. In order to facilitate current business operations, a limited exception to this rule applies to any Provider currently representing KRS. However, any contact made by such Providers must be strictly limited to current business matters arising under a previously existing Contract only, and shall **not** relate to this RFP.

D. RIGHT TO WITHDRAW PROPOSAL

Providers will be allowed to withdraw their proposals at any time prior to the final deadline for the receipt of proposals. The Provider must submit a written request to withdraw that is signed by the designated contact. Withdrawal requests should be sent to the attention of Angela Stevens.

E. DISCLOSURE OF PROPOSAL CONTENT

All proposals submitted become the property of KRS and shall not be subject to public inspection until after the negotiation process is concluded either by the award of a Contract or at the direction of the Board. Upon completion of the selection process, all proposals are subject to KRS Chapter 61, §870-884 *et seq.* (the Kentucky Open Records Act), with the limited exception of any information that has been specifically designated as proprietary in nature. It is the sole responsibility of the Provider to clearly identify qualifying sections as such. Therefore, please identify on each individual page of your response any text that constitutes proprietary information or trade secrets.

F. OBLIGATIONS UNDER THE PROPOSAL

The contents of the proposal (and any clarifications submitted thereto) from the successful Provider shall become part of the contractual obligation and will be incorporated by reference into the resulting Contract. KRS reserves the right to request clarifications to the proposal after its receipt.

G. CONTINUED DISCLOSURE

Ongoing and timely disclosure of any existing or potential conflicts of interest that would impact the Provider's independence, perceived independence, or its ability to fully perform the tasks outlined in this RFP, will be a continuing requirement for the life of the Contract.

H. DISPOSITION OF PROPOSALS

All proposals become the property of KRS and will not be returned to the Provider. However, any proposals that are received after the stated deadline will be returned to the Provider unopened.

I. GOVERNING LAW

All of the terms and conditions of this RFP, and any resulting Contract, shall be construed in accordance with the laws of the Commonwealth of Kentucky.

J. SIGNATURE OF PROVIDER'S AGENT

The submission letter, the proposal, and any modifications to the proposal, must all be signed by someone with contracting authority for the Provider.

K. SYSTEMS CONTRACT SIGNATORY

David L. Eager, Interim Executive Director, Kentucky Retirement Systems, is the designated signatory for KRS.

L. AWARD OF CONTRACT

KRS has a responsibility to all of its members, and to the Commonwealth of Kentucky, to select Providers that offer high quality work at the best possible value. KRS, therefore, reserves the right to award these Contracts, not necessarily to the Provider who offers the lowest cost proposal, but to the Provider who provides the best match of skills at the best value for the particular RFP. The Provider(s) recommended for Board approval will be determined in accordance with the evaluation criteria defined in Part V below.

IV. INFORMATION REQUIRED BY KRS

Providers must submit a signed proposal to KRS that includes the following information:

- 1) Name, title, and complete contact information of the individual who will serve as the Provider's primary contact for KRS;
- 2) A brief history of the firm. Please disclose whether there have been any significant business developments in the past three years, such as mergers, restructuring, or changes in ownership. Provide a firm resume if one is readily available;
- 3) A brief description of the firm's relevant practice, particularly as it pertains to institutional investors, including public pension plans;
- 4) Resumes for all principals and resumes of any attorneys who will provide services to KRS. Resumes should detail educational qualifications, admitted jurisdictions, work experience, licenses and/or certifications, special awards or recognitions, membership in any professional organizations, and any previous work experience in specific areas of expertise;
- 5) A list of any relevant training, seminars, CLEs, special recognition, or publications attributable to the Provider;
- 6) A detailed explanation for any proposed use of subcontractors. Any proposed subcontractors must be identified by name. Please note that the Provider remains wholly responsible for the entire performance of any resulting Contract, regardless of whether subcontractors are used or not.
- 7) Names and addresses of at least three (3) representative clients (either public or private entities) for which the Provider currently or has previously served as similar counsel;
- 8) Proof of insurance and coverage amounts for all legal malpractice and professional liability policies the Provider carries;

- 9) A statement of whether the Provider has settled any past claims related to the provision of similar services;
- 10) A statement of whether the Provider has any current claims pending against it related to the provision of similar services;
- 11) Full disclosure of: (i) any prior commitments of Provider which could potentially interfere with its ability to perform the services required by this RFP; (ii) any prior or current work, clients, or litigation which could result in a conflict of interest for the Provider, should it be engaged to perform legal services for KRS; (iii) any business affiliations or professional associations that could potentially pose a conflict of interest for the Provider, should it be engaged to perform legal services for KRS; and (iv) a list and description of any professional relationship(s) the Provider (or any of its current partners, principals, agents, employees, or staff) has with: any member of the Kentucky Retirement Systems Board of Directors, any employee of the Kentucky Retirement Systems, or the Commonwealth of Kentucky. Please note that such disclosures will be a continuing requirement for the life of the Contract;
- 12) Respond to the following question: Has the Provider (or any of its current partners, principals, agents, employees, or staff) been censured, fined, or reprimanded, either publicly or privately, by any licensing or regulatory body within the last ten (10) years?;
- 13) A detailed fee schedule with hourly rates for all individuals who will perform the services detailed within the relevant Scope of Services section or sections.

V. EVALUATION OF PROPOSALS

A. The Board of Directors

The Board of Directors (Board), with the advice and assistance of KRS staff, will evaluate and score proposals, select finalists, and conduct interviews of finalists (if necessary). If interviews are necessary, the finalists will be interviewed at KRS' offices in Frankfort, Kentucky. Travel to Kentucky for interviews will be at the sole expense of the Provider. The Board will make the final selection decision. The Board may take into account any and all factors it deems necessary and proper to determine the best value to KRS, its members, and the Commonwealth of Kentucky.

B. EVALUATION CRITERIA

All qualifying proposals shall be evaluated by the Board through a consensus scoring process. The Board will assign a numerical evaluation to each proposal considered based upon the following list of factors. The following weights will be assigned to these factors:

1) The Provider's Qualifications	25%
2) The Provider's Relevant Experience	25%
3) The Provider's Available Resources	25%
4) The Provider's Cost Proposal	<u>25%</u>
	100%

If interviews are conducted, responses will be ranked, and those rankings will be noted on each Provider's submission. The Committee expressly reserves the right to use, review, or consult any outside information available to it to supplement its evaluation of any proposal.

C. RIGHT TO WAIVE MINOR IRREGULARITIES

The Board reserves the right to waive minor irregularities in proposals. This right is at the sole discretion of the Board.

D. APPROVAL PROCESS

Based upon the outcome of the numerical rankings, oral interviews may be conducted with the Providers with the highest ranking proposals. KRS' reserves the right to determine whether or not interviews will be conducted. Determination of the need to conduct interviews and how many Providers will be interviewed is at the sole discretion of the Board.

Board members, KRS staff and RFP respondents shall have no contact regarding this RFP, either verbal or written, prior to the Interview phase of the process, except for the limited purpose of a formal Inquiry Period, as provided for below.

E. FINAL CONTRACT

The final Contract shall be a combination of the specifications, terms, and conditions of the RFP, any written clarifications or amendments made to the RFP, the offer contained in the successful proposal, and any additional contractual terms and conditions agreed to, mutually and in writing, by both parties.

F. TERM OF CONTRACT

The initial Contract for each Provider shall be for a twenty-four (24) month period commencing on July 1, 2017 and ending on June 30, 2019. Thereafter, the contract shall be eligible for three (3) annual renewals, subject to mutual agreement of the parties. Any resulting Contract may be terminated at KRS' discretion, either with or without cause, upon thirty (30) days written notice to the Provider. The Provider or Providers selected from this RFP process will not be prohibited from submitting a proposal for any subsequent Contract.

G. SCHEDULE OF EVENTS

- 1) **RFP ISSUED:** October 4, 2016
- 2) **INQUIRY PERIOD: Inquiries and requests for clarification or interpretation of this RFP from potential bidders will only be accepted if submitted in writing, (by mail, e-mail, or fax) BEFORE 4:30 p.m. EST on October 26, 2016.** Please mail, e-mail, or fax all inquiries to:

Kentucky Retirement Systems
ATTN: Angela Stevens
1260 Louisville Road
Frankfort, KY 40601

E-mail: angela.stevens@kyret.ky.gov
Fax: (502) 696-8615

- 3) **RESPONSE TO INQUIRIES:** Responses to questions will be posted on KRS' website by October 31, 2016.
- 4) **PROPOSALS DUE:** Proposals must be received by 4:30 p.m. EST on November 7, 2016.
- 5) **FINALIST INTERVIEWS:** If interviews are required, KRS staff will conduct them at KRS' offices during the week of November 14-18, 2016.
- 6) **PRESENTATION TO BOARD:** KRS staff will present its review of the Respondents to the Board of Directors of Kentucky Retirement Systems at the December 1, 2016 quarterly meeting. Thereafter, the Board of Directors of Kentucky Retirement Systems will vote on its final selection(s) of Provider(s) to satisfy the RFP.
- 7) **SELECTION ANNOUNCEMENT (TENTATIVE):** KRS will notify all Providers that submitted a qualified proposal of its final selection(s) after the regularly scheduled Board of Directors Quarterly Meeting held on December 1, 2016.