

# PENSION RESERVE TRUST

July 19, 2022

## Re: Request for Proposal - Accounting Services

### I. Introduction:

Pursuant to the Plan of Adjustment for the Commonwealth of Puerto Rico under Title III of Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) confirmed by the U.S. District Court for the District of Puerto Rico on January 18, 2022 and consummated on March 15, 2022 (the “Plan of Adjustment”), the Government and the Financial Oversight and Management Board for Puerto Rico have established a Pension Reserve Trust (the “Trust” or “Pension Reserve Trust”) for the purpose of paying pensions to public retirees in future years. The Pension Reserve Trust will be governed by a Board of Trustees (“Pension Reserve Board”).

The Commonwealth Plan of Adjustment Pension Benefits Council Corp., is a non-profit corporation (hereinafter the “Benefits Council”) responsible for reviewing the adequate and timely funding of the Pension Reserve Trust by the Commonwealth and approve the release of funds from said Trust to assist in the payment of the pensions of public employees.

The Trust requests proposals from qualified parties, located in the Commonwealth of Puerto Rico, interested in providing accounting services as described below to the Pension Reserve Trust. Those responding to this formal Request for Proposals shall be entered into the competitive process to provide the accounting services to the Pension Reserve Trust. The Trust was created pursuant to the Plan of Adjustment. The key aspects of the Trust are outlined as follows:

- One to two annual contribution payments will be made to the Trust until 2031
- Assets are expected to accumulate to \$10-20B over the next decade aligned to the Plan of Adjustment fiscal plan
- No withdrawal can be made from the Trust until July 2032
- Annual budget for the Pension Benefits Council and Pension Reserve Board are expected to be up to \$0.4M and \$1.4M respectively

The Benefits Council and the Pension Reserve Board (collectively the “Pension Reserve Entities”), as well as the Pension Reserve Trust, are subject to the Guidelines for the Governance and Administration of the Puerto Rico Plan of Adjustment Pension Reserve Trust and Monitoring of Plan of Adjustment Pension Benefits (See Appendix A for reference).

## **II. Services to be provided:**

- Preparation of checks.
- Asset management
- Monthly reconciliation of bank accounts.
- Record monthly transactions.
- Preparation and issuance of financial statements and transactions on a monthly basis and as requested.
- Withholding of payments to contractors, informative declarations, and payments of tax obligations to the different Government agencies.
- Collaborate with the Trust's in the annual audit.
- Preparation of payroll for up to 10 employees of the Trust
- Collaborate with the Trust's external custodian with respect to investment transaction activity
- Any other accounting services that the contractor provides to clients with similar characteristics to the Trust.

## **III. Minimum Qualifications:**

Failure to satisfy each of the minimum qualifications will result in the immediate rejection of the proposal. The responder must address each of the qualifications substantiating how the responder satisfies each of the minimum qualifications. The responses must contain sufficient information as prescribed to assure its accuracy. Failure to provide complete information will result in rejection of the proposal. The responder must certify in writing on the Minimum Qualifications Certification (Appendix B) that it meets all of the minimum qualifications and must be signed by an individual who is authorized to bind the responder contractually.

- i. The responder must have experience with the accounting of investment funds. Experience with pension investment funds will be considered favorably.
- ii. The responder and each of its key professionals must not have material conflicts of interest with the Trust.
- iii. The respondent must be registered with the GSA professional services registry.
- iv. The responder and its proposed team must have all authorizations, permits, licenses and certifications required by federal and commonwealth laws and regulations to perform the services specified in this RFP at the time responder submits a response to the RFP.
- v. The responder must demonstrate that it is a nationally-recognized accounting firm that is able to render accounting services on behalf of both Pension Reserve Trust Entities and the Pension Reserve Trust

The Pension Reserve Entities retain the sole right to decide whether any responder is qualified to bid, including determining whether any responder's qualifications are sufficiently comparable to satisfy all of the above minimum qualifications.

### **III. Proposal submission format:**

1. Name and address of the firm.
2. Contact information (and preferred method of communication).
3. Legal formation of the business (for example, individual, partnership, corporation).
4. Description of the firm in terms of size, range and types of services offered.
5. Cost proposal broken down into monthly payments and total annual cost.
6. Biographical information and resumes of the professionals that would perform work for the Pension Reserve Entities or Trust, including areas of specialization and relevant experience.
7. Provide evidence of licenses and professional accreditations if necessary to provide the service.
8. Describe the levels of professional liability insurance coverage your firm carries.

### **IV. Submission Terms and Conditions:**

1. The proposal must be submitted electronically to francisco.delcastillo@bgm.org before August 12, 2022 at 5:00PM(East). Any questions can be directed to the same email address.
2. The Pension Reserve Entities and Pension Reserve Trust are subject to the right of access to information law in Puerto Rico and that the documents presented may be subject to an open public records request. Accordingly, candidates must identify any materials or documents that are confidential and clearly mark such items or documents at the time of submission.
3. The Pension Reserve Entities reserves the right, without prejudice, to reject any or all proposals. There is no express or implied obligation on the part of the Pension Reserve Entities to reimburse applicants for expenses incurred in preparing proposals for this application.
4. All documents and other materials submitted in response to this RFP shall become the property of the Pension Reserve Entities.
5. If this application results in a contract, neither the candidate, nor anyone on their behalf (including their agents, affiliates, subcontractors and consultants), will publish, distribute or otherwise disseminate any press release, announcement or publicity material of any kind or kind (collectively, "publicity material") that refers to the Pension Reserve Entities or Pension Reserve Trust, or the resulting agreement, unless such publicity material has first been submitted to the relevant Pension Reserve Entities and has received written approval.
6. A person authorized to contractually commit the candidate must sign the proposal. The signature must indicate the title or position held by the person in the signature.

### **V. Evaluation Process:**

All proposals submitted will be evaluated by the Pension Reserve Entities in accordance with the provisions set forth in this Request for Proposal. The Pension Reserve Entities

may request clarification from candidates at any stage of the assessment process to clarify ambiguities in the information provided.

**APPENDIX B – RESPONDENT CERTIFICATION**  
**Commonwealth Plan of Adjustment Pension Reserve Trust**  
**Accounting Services Request for**

**Proposal** \_\_\_\_\_  
Prospective Offeror Name

The Prospective Offeror must substantiate that the firm satisfies the following minimum criteria, to the Pension Trust Entities' satisfaction. This certification and the associated documentation must contain sufficient information, as prescribed, to assure the Pension Trust Entities of its accuracy.

The Prospective Offeror must:

1. The responder must have experience with the accounting of investment funds. Experience with pension investment funds will be considered favorably.
2. The responder and each of its key professionals must not have material conflicts of interest with the Trust.
3. The responder and its proposed team must have all authorizations, permits, licenses and certifications required by federal and commonwealth laws and regulations to perform the services specified in this RFP at the time responder submits a response to the RFP.
4. The responder must demonstrate that it is a nationally-recognized accounting firm that is able to render accounting services on behalf of both Pension Reserve Trust Entities and the Pension Reserve Trust

The authorized representative of the Prospective Offeror that signs below certifies:

1. To the best of our knowledge, all information and representations provided are true, complete and accurate.
2. We warrant and represent that our firm did not confer with any other persons or organizations submitting information regarding the search in progress.
3. We have read the complete materials and agree to the terms and requirements upon which this Request for Proposal is conditioned.
4. The signature affixed hereon and dated certifies compliance with all the requirements of this Request for Proposal.

\_\_\_\_\_  
Prospective Offeror – Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date