

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago**
A Component Unit of the City of Chicago



REQUEST FOR PROPOSAL

**SUPPLEMENTARY FOREIGN TAX WITHHOLDING
RECOVERY SERVICES**

October 9, 2020

INTRODUCTION

The Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (the "Fund" or "LABF") is hereby issuing a request for proposal ("RFP") to solicit proposals from qualified *Tax Recovery Service Providers* ("Proposer"). The Fund shall conduct the RFP process in accordance with applicable provisions of the Illinois Pension Code and the Fund's Ethics Policy, as amended from time-to-time.

LABF is committed to increasing racial, ethnic, and gender diversity in all aspects of its utilization of vendors to provide goods and services to the Fund, to the greatest extent feasible, and within the bounds of financial and fiduciary prudence. To that end, the Fund encourages qualified minority-, female-, and disabled-owned firms to submit proposals to this RFP.

All documents pertaining to this RFP are available on the Fund's website at <http://www.labfchicago.org/investments/investment-opportunities/>. Proposers are responsible for monitoring LABF's website for information pertaining to the RFP while the RFP is outstanding.

ABOUT LABF

Established in 1935, LABF is a pension fund of the City of Chicago. The Retirement Board of LABF (the "Board") is responsible for the general administration of the Fund. Decisions in regard to awarding mandates are made at the sole discretion of the Board in exercising its investment authority to ensure the prudent investment of Fund's assets. The Fund is governed by the Illinois Pension Code. To learn more about the Fund and its policies, please visit the Fund's website at

www.labfchicago.org; and review the Illinois Pension Code, [40 ILCS 5/1 et seq.](#), [40 ILCS 5/1A et seq.](#), and [40 ILCS 5/11 et seq.](#)

RFP DETAILS

Date Search Authorized by the Board: July 21, 2020

Background: The Fund’s master custodian provides certain foreign tax recovery services on behalf of LABF. These recovery services do not include claims which must be pursued through the European Court of Justice (“ECJ”) or claims in an amount less than \$100 USD. LABF is seeking a Tax Recovery Service Provider to supplement the services provided by LABF’s master custodian. While the selected Proposer will not be authorized to pursue claims within the Fund’s master custodian’s scope of service, the Proposer is expected to identify all foreign tax withholding claims, including those claims that can only be pursued by the Fund’s master custodian.

Quiet Period: The Quiet Period shall commence upon the Board’s authorization of a service provider search and end when the selection has been made by the Board and a contract is reached with the service provider(s). Proposers may not have discussion related to the RFP with Board members and LABF’s investment staff during the Quiet Period, however, the quiet period does not apply to communications that are part of the process described in this RFP or part of a scheduled Board meeting. A Proposer will be disqualified from the selection process for violating the Quiet Period. **The Quiet Period for this RFP began July 21, 2020.**

Scope of Services: The selected Proposer shall assist the Fund in identifying foreign tax withholding recovery opportunities that the Fund’s master custodian will not pursue. The selected Proposer shall:

- Analyze and pursue claims under double tax treaties.
- Analyze and pursue claims under local tax legislation.
- Analyze and pursue tax recovery claims through the ECJ.
- Analyze and pursue foreign tax withholding recovery claims for amounts under \$100 USD, pursuant to mutually agreed upon criteria to determine when is it practicable to pursue such claims.
- Conduct a review of the Fund’s last five (5) years of foreign income transactions to identify opportunities to recover taxes withheld.

RFP Timeline (all subject to change at the discretion of LABF):

Request for Proposal Issued	October 9, 2020
Due Date to Submit Written Questions	October 15, 2020
Q&A Document Posted	October 20, 2020
Due Date for Proposal	November 6, 2020
Potential Interviews	November 17, 2020
Finalist Notified By	TBD

Submission: The Fund’s staff shall oversee the RFP process. If your firm is interested in submitting a proposal, you must submit an electronic copy of the complete proposal by 12:00pm CST on November 6, 2020 to RFP@labfchicago.org. **Any proposal received after the November 6, 2020 due date and time will not be considered.**

Inquiries: Procedural questions concerning the RFP must be submitted in writing via email to RFP@labfchicago.org by October 15, 2020. Oral inquiries are not permitted. Responses to questions properly submitted will be consolidated in a single Question & Answer document posted on LABF's website by October 20, 2020. ***Please note:*** Proposers will not receive individualized responses to questions submitted. Proposers must review the Question & Answer document posted on LABF's website to receive answers to all questions submitted.

PROPOSAL EVALUATION AND SELECTION PROCESS

Proposals will be evaluated and selection made based on the following criteria:

- General Experience of the Proposer – as measured by the experience in providing tax recovery services to institutional clients.
- Resources of the Firm – as measured by the Proposer's resources to provide the services described in this RFP.
- Personnel – expertise of the personnel to be assigned to this account.
- Client References – as measured by the quality of the institutional references provided.
- Fees – Reasonableness and competitiveness of fees.
- RFP Proposal – Clarity and responsiveness to the requirements as requested in the RFP.

TERMS AND CONDITIONS

- LABF reserves the right to reject any or all proposals or any portion(s) thereof, and to negotiate with any one or more of the Proposers. LABF reserves the right to cancel this RFP.
- LABF is not responsible for any costs incurred by the Proposers in responding to this RFP.
- Proposers are advised that proposal materials are subject to the Illinois Freedom of Information Act (5 ILCS 140) ("IL FOIA"). After completion of the RFP process, which may include selection by the Board and successful negotiation of a contract, proposals submitted may be viewed and copied by any member of the public, including news agencies and competitors. Proposers claiming a statutory exemption from the IL FOIA for information within the Proposers' submission must specifically identify relevant language as confidential and identify in the email transmission of the proposal whether confidential information is included. Further, each page of confidential documentation must be labeled as such. The Proposer must also specify which statutory exemption applies for each piece of confidential information. The Illinois Freedom of Information Act can be found at the Illinois General Assembly's website (<http://www.ilga.gov/>). LABF reserves the right to make determinations of confidentiality pursuant to IL FOIA and Illinois Attorney General interpretation.
- This RFP is neither a contract nor meant to serve as a contract. A Proposer's preparation or submittal of a proposal or subsequent participation in presentations or contract negotiations creates no obligation on the Fund to award a contract or to pay any associated costs.

PROPOSAL SUBMISSION CHECKLIST

Incomplete responses to this RFP will automatically be eliminated from consideration.

Cover Letter – Proposer must provide a cover letter, on official business letterhead, signed by an individual authorized to legally bind the Proposer. The letter must contain/attest to the following:

- a) A statement confirming that the Proposer has not retained, and will not retain, a person or entity to attempt to influence the outcome of the Fund’s decision or procurement of services under this RFP, for compensation, contingent in whole or in part upon the Fund’s decision or procurement. Statement that the proposal is being made without fraud or collusion and that the Proposer has not offered/received any finder’s fees, inducements or any other form of remuneration, monetary or non-monetary, to/from any individual or entity relating to this RFP, the Proposer’s submission, or the Fund’s selection.
- b) Statement that the Proposer can perform the services as described in this RFP.
- c) A statement describing the Proposer’s availability of staff and other required resources for performing all services and providing all deliverables as described in this RFP.
- d) Statement that the proposal is a firm and irrevocable offer good for one (1) year from the date of the proposal.
- e) Statement that discloses any current business relationship or any current negotiations for prospective business with a Board member(s), the Fund, the Fund’s Executive Director, or the Fund’s investment staff.
- f) The verification statement:
I certify under penalty of perjury, that I am an individual authorized to legally bind the Proposer, that I have personally examined and am familiar with the information submitted in this disclosure and all attachments, and that the information is true, accurate, and complete. I acknowledge and agree 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 LABF is guilty of a Class 3 felony..
- g) The name, title or position, e-mail address, and telephone number of the individual signing the cover letter on behalf of Proposer.

RFP Questionnaire – Please complete the RFP Questionnaire (Appendix A). For this item to be marked as complete, Proposer must a) address all the questions in the order they are listed; and b) provide all requested attachments in their proper format, where designated.

Diversity Data - Please complete the Diversity Data Excel file. For this item to be marked as complete, **both tabs must be completed**. The information requested under “ILPC Required Disclosures” tab is required by the Illinois Pension Code (40 ILCS 5/1-113.21).

APPENDIX A

RFP QUESTIONNAIRE

GENERAL INFORMATION

1. Provide the name, address, telephone number and e-mail address of the Proposer's representative to contact regarding all contractual and technical matters concerning the Proposer's proposal.
2. Provide the address of the Proposer's main corporate office, and location(s) by city of all other offices that provide services similar to those requested in this RFP. Indicate which office will be the primary office in servicing the LABF, and any other offices that will be involved in providing services to the LABF. Provide the number of employees located at each office location and describe the general function(s) of each office.
3. Describe the Proposer's ability to perform the Scope of Services set forth in this RFP.
4. Describe whether the Proposer will utilize any subcontractors or affiliates to provide the services set forth in the RFP.
5. Provide an executive summary of the Proposer's tax recovery business unit.
6. Describe what differentiates your organization from other tax recovery service providers. What value does your organization provide to clients?
7. Describe the Proposer's relevant experience providing tax recovery services to public pension fund clients.
8. Include an organizational chart of the tax recovery business unit, as well as an organizational chart showing the position of the unit within the Proposer's overall management structure. Describe the Proposer's overall management structure, and how the tax recovery services business unit fits within it.
9. Describe any additional resources you may provide LABF in connection with the tax recovery services.
10. Please list the minimum recovery threshold, if any, that apply to the services sought by this RFP.
11. Describe the levels of coverage for errors and omissions insurance and any other professional liability insurance that Proposer carries for the services as described in this RFP. List the insurance carriers supplying the coverage.
12. State whether there are any actions, proceedings, or investigations (threatened or pending) before any tribunal, arbitrator, court or governmental authority against or relating to the Proposer, its affiliates, or the officers or directors of the Proposer or its affiliates claiming or alleging fraud, breach of professional responsibility, breach of contract, or related to the provision of tax withholding recovery services. If so, please describe the relevant facts and circumstances. Also state whether, during the ten (10) year period prior, the Proposer or its affiliates, or their officers and directors have been found liable for or settled any such action, proceeding, or investigation.

TECHNOLOGY AND COMMUNICATION RESOURCES

13. Please describe the Proposer's technology capabilities and relate them to the firm's tax recovery services. Do you provide any custom computer-based analytical tools to clients? If so, please elaborate.
14. Include a description of the research and other technical resources, including on-line databases and computer based analytical tools, that you make available for your clients.
15. Discuss your firm's tracking system for changes in tax laws applicable to the services described in this RFP.

REFERENCES

16. Provide the Proposer's 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.
17. Provide the Proposer's name, address, contact name and title, contact telephone number and email address for 3 former clients. 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 former client listed. If three accounts are not available, please explain why.

FEE PROPOSAL AND OTHER COSTS

18. Please provide a fee quote for the services requested in the Scope of Services.
19. Please identify other expenses (not included above), if any, that the Proposer intends to charge LABF. Please describe the approach your firm will take to control any additional costs to LABF.
20. Please describe any upfront costs, if any, that the Proposer intends to charge LABF.
21. Will the Proposer confirm that it will not propose increases in the proposed fee structure for the next five (5) years?

AGREEMENT AND PROCESS

22. Please provide a sample of the Proposer's service agreement.
23. Do you require a minimum length for the agreement? If so, please specify the length and explain why.
24. Please provide any POA or other documentation that needs to be executed by LABF if your firm is retained.
25. Please provide your clients' onboarding documentation and describe the onboarding process and timeline.
26. 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.