

Memorandum

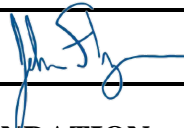
**TO: Board of Administration for the
Federated City Employees
Retirement System**

FROM: Benjie Chua Foy

**SUBJECT: Tax Legal Services Request For
Proposal (RFP) Results**

DATE: April 17, 2025

Approved



Date April 17, 2025

RECOMMENDATION

Discussion and action on the results of the Request for Proposal (RFP) for tax legal services, including Board authorization for the Chief Executive Officer (CEO) to negotiate and execute an agreement with Ice Miller LLP (Ice Miller) for tax legal services for a term of 6 years for an amount not-to-exceed (NTE) \$225,000, with four (4) one-year options to extend.

BACKGROUND

Ice Miller has served as the Board's tax counsel since May 2010. Following an RFP process in 2020, the Board entered into a five-year agreement with Ice Miller LLP for a NTE amount of \$100,000, with a term ending June 30, 2025.

The table below summarizes expenditures under that contract for the past five fiscal years. Both plans are shown because the proposed costs submitted by the vendor was the total for both Boards.

Fiscal Year	Federated	Police and Fire	Total
7/1/20-6/30/21 – Actual	\$2,054	\$468	\$2,522
7/1/21-6/30/22 – Actual	\$10,980	\$8,670	\$19,650
7/1/22-6/30/23 – Actual	\$21,931	\$40,203	\$62,134
7/1/23-6/30/24 – Actual	\$22,483	\$17,142	\$39,625
7/1/20-6/30/25 – YTD	\$34,274	\$1,829	\$36,103
Total	\$91,722	\$68,312	\$160,034
Average	\$18,344	\$13,662	\$32,006

In anticipation of the contract's expiration on June 30, 2025, Staff issued a new RFP for legal services, including tax counsel, on December 20, 2024. Proposals were due January 24, 2025. At the January 29th Joint Ad Hoc Committee (JAHC) meeting, it was agreed that Staff would evaluate the results for the legal services and make a recommendation to the JAHC.

ANALYSIS

Three bids were received for tax legal services: Ice Miller, Kutak Rock and Nossaman. Ice Miller scored the highest, with Nossaman being a close second. Staff recommended to the JAHc that Ice Miller and Nossaman be interviewed. At the February 11th JAHc committee meeting, Staff was directed to conduct the interviews for Ice Miller and Nossaman. The interviews were conducted by Staff (CEO, Deputy Director, Benefits Manager and Accounting Manager) on March 7, 2025. Staff evaluated the two firms based on their interviews, and the updated combined average scores were as follows:

Description	Weight	Average	
		Ice Miller	Nossaman
Proposal Responsiveness	Pass/Fail		
General Requirements	10	8.3	10.0
Experience and Qualifications	25	24.7	22.7
Project Approach	10	9.7	8.4
Technical Capabilities	10	9.0	10.0
Cost Proposal	20	18.3	16.0
Oral Interview	15	11.7	13.3
Local Business Enterprise	5	0.0	0.0
Small Business Enterprise	5	0.0	0.0
	100	81.7	80.4

At the April 4th JAHc meeting, Staff met with the JAHc to discuss the results of their interviews and recommended that Ice Miller be appointed as the tax legal counsel. The JAHc approved to move forward with Staff's recommendation.

The table below summarizes Ice Miller's cost proposal for the first six years of the contract; the table does not include the cost for the four one-year options. This proposal covers both plans.

4									\$0.00	Price this line item or note as 'included' or 'provided at no additional cost' in this field.
ITEM#	CLASS OF PERSONNEL	Estimated Hours	Standard Hourly Rate						Total	Additional Information
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6		
5	Partner/Sr. Counsel	95	\$695	\$715	\$735	\$755	\$775	\$795	\$0.00	Rate incorporates a 10% discount off of our standard hourly rates, and yearly increase is no more than 3%
6	Of Counsel/Associate	2	\$475	\$485	\$495	\$505	\$520	\$535	\$0.00	Rate incorporates a 10% discount off of our standard hourly rates, and yearly increase is no more than 3%
7	Paralegal	3	\$335	\$345	\$355	\$365	\$375	\$385	\$0.00	Rate incorporates a 10% discount off of our standard hourly rates, and yearly increase is no more than 3%
									\$0.00	
TOTAL BASE BID (Initial Term Cost of Ownership)									\$437,160	

Contract Not to Exceed Amount

Staff recommends a total NTE amount for the six-year contract with Ice Miller of \$225,000 based on their cost proposal above of \$437,160 above, rounded to \$450,000 to include some room for contingencies. This cost proposal amount is split 50/50 between the Federated Board and Police and Fire Board.

CONCLUSION

Following a thorough evaluation process, which included a review of written proposals and in-depth interviews with the two highest-scoring firms, Staff recommends retaining Ice Miller LLP as the Plans' tax counsel. While both Ice Miller and Nossaman are highly qualified, and the final scores were very close, Staff concluded that the incumbent's deep institutional knowledge, familiarity with the plans' unique structure, and consistent performance over the past 15 years provide continuity and added value. Given the marginal differences in scores and the absence of a compelling reason to transition providers, Staff believes that continuing with Ice Miller is in the best interest of the Plans at this time.

Staff recommend the Board authorize the CEO to negotiate and execute an agreement with Ice Miller for a term of 6 years for an amount not to exceed \$225,000 for tax legal services, with four (4) one-year options to extend.

Benjie Chua Foy

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Accounting Division Manager