

# Memorandum

**TO:** Federated City Employees' Retirement System  
Board of Administration

**FROM:** John Flynn

**SUBJECT:** Legal Services RFP Results for Investment Counsel      **DATE:** April 7, 2025

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**Approved**

**Date**

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## Recommendation

Discussion and action on the results of the Request for Proposals ("RFP") for Legal Services - Investment Counsel, including Board authorization for the Chief Executive Officer ("CEO") to negotiate and execute an agreement with Hanson Bridgett LLP for a term of six (6) years for an amount not-to-exceed \$580,000, with four (4) one-year options to extend.

## Background

Since June 2008, Hanson Bridgett LLP has served as the Board's Investment Counsel. Following an RFP process conducted in 2020, the Board entered into a five-year agreement with Hanson Bridgett, not-to-exceed ("NTE") \$450,000, ending on June 30, 2025.

The table below summarizes expenditures under that contract for the past four years:

Fiscal Year	Total Expense
July 1, 2020 - June 30, 2021	\$ 175,459
July 1, 2021 - June 30, 2022	102,480
July 1, 2022 - June 30, 2023	139,872
July 1, 2023 - June 30, 2024	108,096
<b>Total</b>	<b>\$ 525,907</b>
<i>Average</i>	<i>\$ 131,477</i>

In August 2023, the Board amended the agreement with Hanson Bridgett, increasing the NTE amount by \$300,000 to \$750,000. To prepare for the contract's June 30, 2025 expiration, staff issued an RFP for legal services, including Investment Counsel, on December 20, 2024.

Proposals were due January 24, 2025, and received from the following six firms:

- Bernstein Litowitz Berger & Grossman LLP
- Foster Garvey P.C.
- Hanson Bridgett LLP
- Kutok Rock LLP
- Nossaman LLP
- Reed Smith LLP

## Analysis

### Evaluation and Recommendation

Proposals for Investment Counsel were reviewed and scored by the investment staff.

COMBINED AVERAGE SCORES							
Description	Weight	Bernstein Litowitz Berger & Grossman	Foster Garvey	Hanson Bridgett	Kutok Rock	Nossaman	Reed Smith
Proposal Responsiveness	Pass/Fail	Fail	Pass	Pass	Pass	Pass	Pass
General Requirements	10	10.0	10.0	10.0	10.0	8.0	8.0
Experience and Qualifications	25	-	22.0	23.7	13.3	20.7	23.3
Project Approach	15	-	14.0	15.0	9.7	9.3	10.0
Technical Capabilities	20	-	19.0	18.7	10.0	15.3	16.7
Cost Proposal	20	-	15.7	18.0	20.0	19.0	15.0
Local Business Enterprise	5	-	-	-	-	-	-
Small Business Enterprise	5	-	-	-	-	-	-
	100	10.0	80.7	85.3	63.0	72.3	73.0

Hanson Bridgett received the highest score, while Foster Garvey ranked second based on the review of the proposals. The investment staff selected these two firms for interviews on March 11, 2025. The interview process included the investment team and the CEO, resulting in the following updated combined scores:

COMBINED AVERAGE SCORES			
Description	Weight	Foster Garvey	Hanson Bridgett
Proposal Responsiveness	Pass/Fail	Pass	Pass
General Requirements	10	10.0	10.0
Experience and Qualifications	25	22.6	23.4
Project Approach	10	8.9	9.6
Technical Capabilities	10	9.4	8.9
Cost Proposal	20	15.3	18.0
Oral Interviews	15	14.1	14.9
Local Business Enterprise	5	-	-
Small Business Enterprise	5	-	-
	100	80.3	84.7

Both Hanson Bridgett and Foster Garvey demonstrated strong qualifications, with their final scores closely aligned. However, Hanson Bridgett's extensive institutional knowledge, deep understanding of the Plan's unique structure, and proven performance over the past 17 years provide valuable continuity. Given the minimal score difference and the absence of a compelling reason to transition to a new

provider, Staff has concluded that continuing with Hanson Bridgett is the most prudent decision for the Plans moving forward.

Accordingly, the Joint Ad Hoc Committee for Legal Services RFP, with the concurrence of the CEO and staff, unanimously recommends the selection of Hanson Bridgett LLP to provide Investment Counsel services to both Boards.

### **Cost Proposal**

The tables below summarize Hanson Bridgett's cost proposal for the initial six-year term, excluding any costs associated with the four optional one-year extensions:

Class of Personnel	Estimated Hours	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Partner	1,254	\$ 745	\$ 767	\$ 790	\$ 814	\$ 839	\$ 864	\$ 1,007,164
Counsel	138	\$ 550	\$ 567	\$ 583	\$ 601	\$ 619	\$ 638	81,825
Associate	150	\$ 425	\$ 438	\$ 451	\$ 464	\$ 478	\$ 493	68,727
<b>Total (Federated &amp; Police and Fire)</b>								<b>\$ 1,157,716</b>
<b>Total per Plan</b>								<b>\$ 578,858</b>

Staff recommends approval of a six-year agreement with Hanson Bridgett LLP, with a not-to-exceed amount of \$580,000. This recommendation is based on estimated hours and applicable rates for the proposed scope of services.

### **Conclusion**

Following a thorough RFP process—including the evaluation of written proposals, scoring by investment staff, and interviews with the top two firms conducted by the CEO and investment staff—the evaluation team unanimously concluded that Hanson Bridgett LLP, the highest-scoring firm, is the most qualified to serve as Investment Counsel to the Boards. Accordingly, staff recommends that the Board authorize the Chief Executive Officer to negotiate and execute a six-year agreement with Hanson Bridgett LLP for investment legal services, in an amount not to exceed \$580,000, with four (4) additional one-year extension options.

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John Flynn  
Chief Executive Officer