



**Request for Proposals for  
Retirement Plan Record Keeping Services for the  
Section 457 Deferred Compensation Plan**

**RFP No. 1609VF**

RFP ISSUE DATE: February 16, 2016

DUE DATE FOR QUESTIONS/CLARIFICATIONS: February 23, 2016 at 2:00pm (Eastern Time)

PROPOSAL DUE DATE: March 9, 2016 at 2:00pm (Eastern Time)

## I. OVERVIEW

Erie County, New York (hereinafter “County”) sponsors a Section 457 deferred compensation retirement plan (hereinafter “Plan”). The Plan’s Deferred Compensation Committee (hereinafter “Committee”) is soliciting proposals from qualified firms (hereinafter “Proposing Firm(s)” or “Firm(s)”) to provide retirement plan administration, record keeping, education, communications, investment-related, and other related services for the Plan.

The primary goals for this Request for Proposals (hereinafter “RFP”) process include the following:

- Enhancing participant retirement outcomes;
- Analyzing the overall competitiveness of the Plan;
- Providing for the integrated administration and reporting for the Plan;
- Improving participant education and communication services;
- Enhancing the formal education for the Committee;
- Providing robust online transaction and information capabilities;
- Providing support for as many administrative functions as deemed appropriate;
- Evaluating alternative pricing structures;
- Reducing participant and Plan expenses;
- Providing for an orderly and timely transition of assets and services if necessary; and
- Continuing the formal record keeper/Committee working relationship.

The Committee – which is made up of nine (9) representatives of County management and union employees – carries out the fiduciary duties and has sole discretionary authority over the administration of the retirement program. The Committee will continue to monitor and evaluate the Plan on an ongoing basis through regular meetings and it is expected that a record keeper representative(s) attend these quarterly review meetings.

## II. RFP TIMELINE AND PROCESS

The Committee plans to adhere to, but reserves the right to change, the following schedule:

RFP issue date:	February 16, 2016
Questions and clarifications from Proposing Firms due:	February 23, 2016
Response to questions and clarifications:	February 29, 2016
Proposal due date:	March 9, 2016
Finalist interviews:	April 27-28, 2016

### QUESTIONS AND CLARIFICATIONS

If any Proposing Firm contemplating submitting a proposal for the items or services listed herein is in doubt as to the true meaning of any part of this RFP, it may email its questions and/or requests for clarification to the Committee’s Consultant, Vincent Galindo of Hyas Group, at [vgalindo@hyasgroup.com](mailto:vgalindo@hyasgroup.com). This also includes requests to waive or otherwise modify insurance requirements and/or minimum qualifications. The deadline for receiving requests for interpretation and questions related to this RFP is February 23, 2016 at 2:00pm Eastern Time. Interpretations, clarifications, modifications, and/or supplemental instructions will be emailed to those

Proposing Firms that have been recorded as receiving the RFP document directly from the Committee's Consultant. In addition, interpretations, clarifications, modifications, and/or supplemental instructions will be posted on the County's Division of Purchasing website. The date for answering questions is on or around February 29, 2016.

### **ADDENDA**

The Committee may make changes to this RFP solicitation. Any interpretation or correction of the Committee specifications will be made only by addendum, duly issued by the Committee representative(s) and/or the Consultant as identified above. Copies of such addenda will be emailed to those Proposing Firms that have been recorded as receiving the RFP document directly from the Committee's Consultant as well as being posted to the County's website. Oral or other interpretations, clarifications, or submittal instructions will be without legal effect. Proposing Firms shall not be allowed to take advantage of any errors in or omissions from the RFP. Full instructions will be given if such error or omission is discovered and called to the attention of the Committee in a timely manner.

### **CONTRACT PERIOD**

The contract term will be negotiated at the conclusion of this RFP process. Proposing Firms will be given opportunities in their response to this RFP to provide pricing information related to different term structures. The Committee reserves the right to sign any document necessary to protect prices, delivery schedules, interest rates and/or any other critical factor contained in the response to this RFP. No action will be binding on the Committee until a contract has been executed by all applicable parties.

### **SUBMISSION OF RESPONSES**

Proposals must be received on or before March 9, 2016 at 2:00pm Eastern Time. Submit five (5) hard copies (one marked "Original"), and one (1) electronic version on CD or flash drive of the proposal to the following address. Please be sure to provide the Questionnaire portion in Word format and include the entire Exhibit Binder in electronic form on the CD or flash drive.

David Palmer  
Chairman of the Erie County Deferred Compensation Committee  
Erie County Department of Personnel  
95 Franklin Street, Room 604  
Buffalo, New York 14202

Additionally, submit one (1) electronic version on a CD or flash drive of the proposal to the Committee's Consultant at the following address. Please be sure to provide the Questionnaire portion in Word format and include the entire Exhibit Binder in electronic form on the CD or flash drive.

Vincent Galindo  
Senior Consultant  
Hyas Group  
108 NW 9<sup>th</sup> Avenue, Suite 203  
Portland, Oregon 97209

It is the responsibility of the Proposing Firm to ensure their proposal arrives by 2:00pm Eastern Time on the due date. Responses received after the prescribed due date and time will be disqualified from further consideration. Absolutely no late submissions will be accepted or considered. Proposals will not be accepted if sent by email and/or fax.

## **WITHDRAWAL OF PROPOSALS**

A Proposing Firm may withdraw its proposal at any time before the expiration of the time for submission of proposals as provided in this RFP by delivering to the Designated Point of Contact a written request for withdrawal signed by, or on behalf of, the Proposing Firm.

## **PUBLIC DISCLOSURE**

All responses, inquiries, and correspondence related to this RFP and all reports, charts, displays, schedules, exhibits, and other documentation produced by the Proposing Firms that are submitted as part of the proposal will become the property of the Committee when received by the Committee and may be considered public information under applicable law. Any proprietary information in the proposal should be identified as such. The Committee will not disclose proprietary information to the public, unless required by law. However, the Committee cannot guarantee that such information will be held confidential.

## **III. PROPOSAL REQUIREMENTS**

### **MINIMUM QUALIFICATIONS**

The Committee requires each Proposing Firm responding to this RFP to certify that it meets or agrees to the following criteria:

1. The Proposing Firm must have a minimum of five (5) years of experience administering governmental Section 457 deferred compensation plans and must currently provide sole-provider administration to a minimum of three (3) Section 457 deferred compensation retirement plans with an asset size of at least \$100 million in each.
2. Any contract must stipulate that there will be no front-end charges, no back-end charges, or no market value adjustments (MVAs) of any kind. In addition, there will be no restrictions or penalties associated with any Plan- or participant-initiated transfers or withdrawals (including contract termination), with the exception of capital preservation (stable value and/or Fixed or General Account) equity wash and/or put provisions, and/or mutual fund specific short-term trading fees.
3. The Proposing Firm must accurately and fully disclose all fund expense and revenue sharing arrangements associated with all funds being offered within the Plan. Fixed or General Account products will not be excluded from this requirement. Proposing Firms offering such products must provide an accurate assessment of product expenses and revenue remitted to the Proposing Firm.
4. The Proposing Firm must accurately and fully disclose all expenses and revenue associated with any service made available under the Plan. This includes services such as managed accounts, investment advice, financial planning and/or self-directed brokerage accounts.
5. Upon award of the contract, the selected Proposing Firm must be duly qualified to do business in the State of New York.
6. The Proposing Firm must have knowledge of and comply with all applicable County, State of New York and federal regulations regarding governmental retirement plans and investment options. All applicable laws of the County and the State of New York, whether substantive or procedural, shall apply to this contract, and all statutory, charter, and ordinance provisions that are applicable to Committee contracts shall be followed with respect to this contract. Two documents have been provided for reference as a courtesy but are not meant to be exhaustive. These two documents are included as Attachment A and Attachment B.

7. The terms outlined throughout this RFP process (within your response and any enhancements thereafter) must remain in place through negotiations and be part of the final contract unless specifically waived by the Committee in writing.

## **REQUIRED DOCUMENTS**

Proposals shall be submitted on 8½” x 11” paper with tabs separating the major sections of the proposal. Print on both sides where appropriate. Proposals must include the following, submitted as ordered below. If your proposal does not include all of the below items, it may be deemed non-responsive.

- 1) Cover Letter. The cover letter should not exceed two pages in length and must acknowledge that the Proposing Firm complies with the requirements of the New York State Deferred Compensation Board and meets or agrees to the Minimum Qualifications stated above and has the ability to provide the requested services in the manner specified herein. It should be signed by an individual with authority to bind the Proposing Firm to the terms quoted in the RFP response. Since a section within Attachment B outlines the case for potential exemptions to the rules and regulations of the New York State Deferred Compensation Board, any requests for an exemption should be articulated per the section above titled “Questions and Clarifications.”
- 2) Questionnaire. Respond to all questions and requests listed in the Questionnaire section of the RFP. Reprint each RFP question/request such that it precedes your written response. Please provide a Word version of the Questionnaire response on the electronic medium (CD/flash drive).
- 3) Electronic Exhibit Binder. There are numerous questions in the RFP Questionnaire that require a description and/or samples to be provided in a separate Proposing Firm Exhibit Binder. Please provide the entire Exhibit Binder in electronic medium (CD/flash drive).

Responses to this RFP (within your response and any enhancements thereafter) and any other material submitted by the successful Proposing Firm shall be construed as one proposal and may be incorporated into the contract between the Committee and the Proposing Firm.

## **RIGHTS**

This RFP does not commit the Committee to enter into a contract nor does it obligate the Committee to pay for any costs incurred in the preparation and/or submission of proposals, presentation of information or participation in interviews, or in anticipation of a contract. The Committee may investigate the qualifications of any Proposing Firm under consideration, require confirmation of information furnished by the Proposing Firm, and require additional evidence or qualifications to perform the services described in this RFP. In addition, the Committee reserves the right to:

- Reject any or all proposals;
- Issue subsequent Requests for Proposal;
- Postpone opening for its own convenience;
- Remedy technical errors in the Request for Proposals process;
- Approve or disapprove the use of particular subcontractors;
- Negotiate with any, all, or none of the Proposing Firms;
- Solicit best and final offers from all or some of the Proposing Firms;
- Award a contract to one or more Proposing Firms;
- Negotiate with any Firm regardless of score;
- Accept other than the lowest priced offer;
- Waive informalities and irregularities in proposals; and/or
- Conduct interviews at its discretion.

## DESIGNATED POINT OF CONTACT

All communications with the Committee and/or County shall be with the Designated Point of Contact and Proposing Firms are prohibited from contacting anyone, including the County Legislature, County Executive, and other Committee and/or County consultants. Any unauthorized contact related to this RFP is not permitted and any breach of this provision or any excessive inquiries of Committee members and/or County staff members is prohibited. For purposes of addressing questions or clarifications concerning this RFP, the Designated Point of Contact will be the Committee's Consultant at the Hyas Group as noted above.

## INSURANCE

Proof of insurance is not required to be submitted with your proposal but will be required prior to the Committee's award of the contract. The standard insurance requirements generally include:

- Professional liability: \$2,000,000;
- General liability: \$5,000,000; and
- Workers' compensation: \$2,000,000.

The general liability will need an endorsement listing the following as additional insured: both the Committee and County with its Officers, Officials, Agents, Employees and Volunteers. Each certificate will show the coverage, deductible and policy period. Policies shall be endorsed to state that coverage will not be suspended, voided, canceled or reduced without a 30-day written notice by mail.

## PLAN INFORMATION AND BACKGROUND

The plan sponsor is a public agency with approximately 4,287 benefit-eligible employees (full-time, regular part-time) and 887 non-benefit earning part-time employees. Employees are paid every two weeks through one centralized payroll system for a total of 26 pay periods annually. The County uses the SAP payroll system while the Erie County Medical Center uses its own proprietary system. All active full-time employees participate in a defined benefit program offered and administered by New York (the New York State and Local Retirement System). There are approximately 17 separate County locations/buildings located throughout the County, and, in terms of employee outreach, it would be expected that a record keeper representative visit each of these worksites as part of their initial and ongoing participant education efforts. This last point is important to the Committee and participants; on-site participant representative(s) delivering education and other services in-person and are highly-valued.

The Plan currently uses The Variable Annuity Life Insurance Company (hereinafter "VALIC") to provide basic administration, enrollment, participant communication and education, investment management and record keeping services. As of December 31, 2015, the Plan held approximately \$221.2 million in assets (see table below). Note that active accounts means currently contributing. As of January 15, 2016, there were 854 participants (representing approximately \$26 million in assets) utilizing the Guided Portfolio Services which is the provider for the managed account feature. The Plan is a model plan as defined within Attachment B. Lastly, although the Plan does not currently offer loans and the Roth feature, the Committee regularly evaluates plan features and may decide to add them in the future. Therefore, there are questions related to loans and the Roth feature within this RFP.

### 457 PLAN ASSETS AND PARTICIPANT HISTORY

	2015	2014	2013	2012
Total Assets	\$221,215,699	\$223,262,208	\$216,695,100	\$191,050,332
Total Participant Accounts	4,255	4,101	3,960	4,019
Total Active Accounts	2,490	2,388	2,246	2,271
Total Deferrals	\$10,870,041	\$10,180,051	\$9,995,671	9,894,310
Total Roll-Ins	42	27	16	12
Total Roll-Ins	\$577,354	\$507,429	\$231,186	\$523,129

	2015	2014	2013	2012
Total Accounts in Systematic Distributions	72	82	80	88
Total Systematic Distributions	\$491,526	\$604,464	\$510,200	\$519,574
Total Accounts with Lump Sum Distributions	185	227	191	163
Total Lump Sum Distributions	\$2,575,036	\$2,329,186	\$2,469,910	\$1,987,680
Total Annuities Purchased	N/A	N/A	N/A	N/A
Total Transfers to Proprietary IRAs	27	26	35	30
Total Transfers to Proprietary IRAs	\$2,866,258	\$3,045,677	\$3,507,572	\$2,724,329
Total Roll-Outs	107	101	135	105
Total Roll-Outs	\$8,947,491	\$11,643,595	\$11,761,362	\$8,994,807
Total Distributions	551	519	548	498
Total Distributions	\$13,909,726	\$16,289,963	\$15,830,107	\$12,737,331
Total Hardship Withdrawals Requested	33	30	29	53
Total Hardship Withdrawals Requested	\$251,600	\$368,750	\$250,813	\$371,198
Total Hardship Withdrawals Approved	26	24	24	43
Total Hardship Withdrawals Approved	\$193,391	\$295,007	\$207,563	\$301,148

## INVESTMENT ALLOCATION INFORMATION

A table providing a breakdown of the assets held in the Plan by fund as of December 31, 2015 is provided with this RFP (see Attachment C).

## EARLY WITHDRAWAL OR TERMINATION PROVISIONS

There are no liquidity restrictions on any of the investment options within the Plan.

## IV. EVALUATION PROCEDURES AND CRITERIA

The Committee, with the assistance of its Consultant, will review all proposals and evaluate all responses received in good order. Clarifications and/or additional information may be requested from Proposing Firms if needed for evaluation purposes. A selection may be made based on this RFP evaluation criteria alone or any combination of the Questionnaire evaluation criteria, references, and/or interviews. The Committee is under no obligation to accept the lowest-priced and/or the highest-scored proposal and reserves the right to further negotiate services and costs any time prior to the execution of any contract. The Committee may also request changes to products, service models and/or pricing during this process.

### CRITERIA

The Committee and its Consultant will focus on the primary goals of this RFP and use the seven distinct sections listed within the Questionnaire portion of this document which generally reflect the criteria as outlined in Part 9003 in the Rules and Regulations of the New York State Deferred Compensation Board (see Attachment B). In weighing these seven sections (see Scoring portion below), the Committee may come up with a list of Firms that will make it to the next level.

## SCORING

The Committee will use the following scoring matrix in its evaluation of responsive proposals:

Firm Strength, Experience and Qualifications	100 points
Record Keeping, Custody and Systems Technology	150 points
Participant Education, Communications, Counseling and Investment Advice Services	250 points
Plan Sponsor Services	150 points
Investment Flexibility	100 points
Transition	50 points
Fee Structure	200 points
<b>TOTAL</b>	<b>1,000 points</b>

## INTERVIEWS

The Committee may require interviews with a select list of Proposing Firms. If interviews are held, they will take place in Buffalo, New York and are tentatively scheduled for April 27 and 28, 2016. Failure to participate in the interview process may result in a Proposing Firm's disqualification from further consideration. The Committee may also select the apparent successful Proposing Firm without conducting interviews.

## REFERENCES

The Committee may also check the references of all Proposing Firms. References will not be scored but may be used to validate finalist Proposing Firm's abilities to provide the required services.

## NOTICE OF RECOMMENDED AWARD

The Committee will select the Proposing Firm deemed to be most beneficial to the Plan and participants based on the overall evaluation of the proposals (written proposal response, references and/or interviews). Final award will depend upon the negotiation and execution of an acceptable contract (which may be withdrawn by the Committee at any time prior to execution of the contract by the Committee) and is subject to approval by the Committee. The selected Proposing Firm and all other persons who submitted proposals will be notified of the selection when appropriate.

## ACTION UPON FAILURE TO EXECUTE A CONTRACT

In the event that a contract cannot be negotiated with the highest ranked Proposing Firm(s), negotiations will be discontinued and the Committee will start contract negotiations with the next highest ranked Proposing Firm. Nothing in this RFP shall restrict or prohibit the Committee from canceling the solicitation at any time.

## V. QUESTIONNAIRE

Responses are to be kept clear and concise. Questions that are marked with a (Yes/No) response require an explanation only if requested. If no explanation is requested, these questions will be recorded as a Yes/No response, and no consideration will be given to an explanation. For questions that do request an explanation, please be succinct in your response and limit any description to the primary and most important aspects related to the specific question/request. Responses should assume all assets and all participant accounts will be serviced by the Proposing Firm.

In some cases the questions include a table that requires completion. Proposing Firms may create their own table that replicates the table in the RFP, though it should generally not take up any more space in the RFP response

than the sample table. There are also questions in the RFP Questionnaire that require a description and/or samples to be provided in a separate Proposing Firm Exhibit Binder. Please pay particular attention to these questions and provide the requested information in a separate binder accordingly. Reprint each question/request such that it precedes your written response. For the items that request responses to multiple questions, separately space or separately bullet the responses to each question. Where there is a reference to 2015, please list data points as of December 31, 2015.

## A. Firm Strength, Experience and Qualifications

A1. Complete the following chart:

Year Proposing Firm was founded:	
Offering services to government plans since:	
Offering services to section 457 plans since:	
Offering services to defined contribution plans since:	

A2. Provide a one page diagram of the ownership structure of the Proposing Firm and its subsidiaries. Include this in the Exhibit Binder and label it Exhibit 1.

A3. Provide a statement of your organization’s strategic plan. If you cannot provide the strategic plan, provide a synopsis or summary of your organization’s strategic plan, including the following. Include this in the Exhibit Binder and label it Exhibit 2.

- a. Level of commitment management has to building market presence,
- b. Enhancing current products,
- c. Developing new products,
- d. Plan for controlling growth of the defined contribution business, and
- e. Plan for controlling the growth of administration beyond the defined contribution business.

A4. Complete the following chart showing total expenditures for the record keeping business. If you cannot provide actual figures, provide the ratio of record keeping expenditures to your organization’s total expenditures within the given time frames. You do not need to provide ratios if you can provide total expenditures for the years listed.

Year	Amount of expenditures in record keeping business (\$ or %)
2015:	
2014:	
2013:	
2012:	

A5. As of the RFP issue date, were there any discussions or pending agreements to purchase another organization or to sell or to merge any part of your organization? (Yes/No) If yes, explain.

	Yes/No	Description
Purchase:		
Merge:		
Sell:		

- A6. Has your organization ever filed for bankruptcy or otherwise become insolvent? (Yes/No) If yes, explain and provide applicable date(s).
- A7. Has your Firm or a subsidiary been the recipient of governmental financial assistance from any government, foreign or domestic (such as the Troubled Asset Relief Program or TARP) within the past ten years? (Yes/No) If yes, describe, including the impact on ownership and obligations to the assisting government.
- A8. If your organization or parent company has a credit rating, provide your ratings from Standard & Poor's, Moody's, and Fitch. For insurance companies, include the financial strength rating, as well as your counterparty credit rating. If rated by some other service, provide the rating and rating criteria.

Rating Organization	Financial Strength Rating	Counterparty Credit Rating
Fitch		
Moody's		
S&P		
Other		

- A9. Provide a copy of financial statements certified by management and/or audited by an independent Certified Public Accountant. The statement should include a balance sheet, income statement, and cash flow statement with all footnotes and disclosures in accordance with generally accepted accounting principles for the last three (3) full fiscal years of operations. Sole proprietorships may substitute a personal financial statement with personal tax documents filed with the federal government for the last three (3) years. The Proposing Firm must be prepared to substantiate all information shown. Financial statements not meeting this requirement may be deemed unresponsive or scored lower in the evaluation of the proposal. If a Proposing Firm intends to operate the business as a sole proprietorship, the Proposing Firm must submit a personal financial statement not older than ninety (90) calendar days and three (3) years most recent personal tax returns. This must be submitted with the rest of the proposal.

If a Proposing Firm is a corporation, partnership, or joint venture and has been in business for less than one (1) year, then the above personal financial information is required for all shareholders, partners and joint venture partners that have a ten percent (10%) or more ownership interest in the Proposing Firm.

Include these statements in the Exhibit Binder and label it Exhibit 3.

- A10. State whether the Proposing Firm is currently involved in any litigation, threatened litigation, investigation, reorganization, receivership, filing, strike, audit, corporate acquisition, unpaid judgments or other action that could have an adverse impact on your ability to provide the required needs as outlined in this RFP. If so, please describe the nature of the item and its potential impact.
- A11. Describe any past litigation or investigation within the past ten (10) years against your organization or local service representatives resulting from its involvement with any defined contribution or defined benefit pension plan.
- A12. Has your parent company, organization or any of your local service representatives been cited, reprimanded or penalized by any regulatory agency within the past ten (10) years? (Yes/No) If yes, describe.

A13. Has any subcontractor that would be part of the service delivery to the Plan been cited, reprimanded or penalized by any regulatory agency within the past ten (10) years? (Yes/No) If yes, describe.

A14. Complete the following charts for the applicable calendar years:

Requested Data	2015	2014	2013	2012	2011	2010
<u>Total Assets:</u> Defined contribution (DC) retirement plans record kept:						
<u>Total Assets:</u> Governmental 457 retirement plans record kept:						
<u>Total Participants:</u> DC retirement plans record kept:						
<u>Total Participants:</u> Governmental 457 retirement plans record kept:						
Average participant deferral amounts to DC Plan:						
Average participant deferral amounts to 457 Plan:						
Total number of Firm employees:						
Total number of Firm employees working on DC plans:						
Total number of Firm employees exclusively dedicated to serving governmental plans:						
Total Firm gross revenues:						

Requested Data as of December 31, 2015	Answer
Total assets invested in the Firm's proprietary investment products by DC plans for which you record keep:	
Total assets invested in the Firm's managed account program:	
Average participant usage rate of managed accounts for those plans offering managed accounts:	
Total assets invested in non-proprietary investment products within DC plans for which you record keep:	
<b>Ratio</b> of proprietary funds to non-proprietary funds in DC plans for which you record keep (e.g. 1:2):	

Average overall DC plan allocation for plans which you record keep as of December 31, 2015	Average Plan
Capital Preservation (Money Market/Stable Value/General Account) (%)	
Bond (%)	
Large Cap Equity (%)	
Small-Mid Cap Equity (%)	
International Equity (%)	
Asset Allocation (%)	
Other (%)	

Average overall DC plan allocation for plans which you record keep as of December 31, 2015	Average Plan
Total <u>average</u> number of investment options (where the entire suite of target date or risk-based asset allocation funds are counted as one option):	

A15. Complete the following tables as they relate to your current governmental 457 clientele:

Data as of December 31, 2015	Total # of Plans	Total \$ Plan Assets	# of Sole-Provider Plans
Under 150 participants			
From 150 to 500 participants			
From 501 to 2,500 participants			
From 2,501 to 5,000 participants			
From 5,001 to 10,000 participants			
Over 10,000 participants			

Data as of December 31, 2015	Total # of Plans	Total \$ Plan Assets	# of Sole-Provider Plans
Under \$100 million			
From \$101 million to \$250 million			
From \$251 million to \$500 million			
Over \$500 million			

A16. Complete the following table regarding the number of defined contribution retirement plans (irrespective of entity type) you have **won/lost in the last five (5) years**. This response should include cases in which you elected not to re-bid and should not include cases in which you were retained with no meaningful growth in assets upon retention.

Data as of December 31, 2015	Number Won	Number Lost
Under \$50 million		
From \$51 million to \$150 million		
From \$151 million to \$250 million		
From \$251 million to \$500 million		
Over \$500 million		

A17. Provide the name and the contract start/termination date for all other county and/or other New York clients or ex-clients with assets over \$150 million referenced in the A16 table above:

Client Name (Wins)	Contract Start Date

Client Name (Losses)	Contract Termination Date

A18. Does your organization have any affiliations with, or endorsements from, any public or private organizations and/or industry groups, etc.? (Yes/No) If yes, describe the relationship, and include a description of whether or not it is a monetary relationship.

Organization	Monetary Relationship (Yes/No)	Amount of Contribution	Length of Relationship

A19. Provide the primary contact(s) name, address, phone number, and email address for all matters related to this RFP.

## B. Record Keeping, Custody and Systems Technology

B1. What record keeping system do you use? Complete the table below.

Record keeping system (state whether proprietary to your Firm or not):	
Used since:	
Number of participants on the system:	
Number of plans on the system:	
System capacity:	
Update cycle (monthly, quarterly, annually):	
Last major revision date:	
Next revision date:	

B2. How often is the record keeping system subject to independent review? Provide copies of all the Firm's Statement on Standards for Attestation Engagements (SSAE) No. 16, Reporting on Controls at a Service Organization, report(s) regardless of type for the last two fiscal years. Include a copy in the Exhibit Binder and label it Exhibit 4.

B3. Will you provide access, with reasonable notice, to parties authorized by the Committee for the purpose of performing any audit or reviews that are deemed necessary? (Yes/No)

B4. Will you provide an annual independent report by a nationally recognized certified public accounting firm? (Yes/No)

B5. Complete the table below from your most recent Service Organization Control report, adding lines as needed for any exceptions noted:

Control Objective	Number of Exceptions or Deviations Noted

B6. Complete the following table on your Voice Response Unit:

Voice Response Unit system:	
Used since:	
Update cycle (monthly, quarterly, annually):	
Last major revision date:	
Next revision date:	

B7. Complete the following table on your web-based transactional systems:

Web-based system:	
Used since:	
Update cycle (monthly, quarterly, annually):	
Last major revision date:	
Next revision date:	

B8. Briefly detail any pending revisions on your voice response unit system or web-based system. Number each item.

B9. How many programmers are dedicated to supporting each system?

Transactional Systems	Number of Full-time Programmers	Number of Part-time Programmers
Record Keeping System:		
Voice Response Unit System:		
Web-based System:		

B10. Describe your data security and back-up process. Include a **brief** description of how access to participant data (current and archived) is controlled and monitored (i.e., who specifically can view participant account data, who can print this data, who can remove this data from your facility either on a laptop, memory stick, CD or as a printed report).

B11. How is Personally Identifying Information (PII) and other indicative data, including Social Security numbers, protected against fraud/theft (both internal and external threats), and what security protocols are in use to guard against fraud/theft?

B12. Are there particular file formats that must be utilized when submitting payroll contributions and loan deduction data to your Firm? (Yes/No) If yes, briefly describe.

- B13. What is the daily deadline time in Eastern Time for you to receive the contribution file and funds and complete the investment of those contributions into the appropriate fund(s)?
- B14. Who would provide trustee/custodial services to the Plan? If not internal, disclose who you would partner with and the length of your relationship with them.
- B15. Provide a one page diagram illustrating how assets flow from the client's account, showing every organization that touches participant assets. This should include any trust company, custodian, bank, pass through bank, record keeper and investment company, etc. Include this in the Exhibit Binder and label it Exhibit 5.
- B16. Where is the custodian located (city and state)?
- B17. Provide a listing of the custodian's insurance coverage in the specific categories provided in the table below.

Coverage	Amount of Coverage
General Liability:	
Professional E&O:	
Financial Institution Bond:	
Other(s):	

- B18. Can your Firm tier the investment menu (meaning break up the core menu into sections with asset allocation funds in one tier and the core menu in another) on paper forms? On the website? If yes, briefly describe.

### C. Participant Education, Communications, Counseling and Investment Advice Services

- C1. Will you offer investment advice to the Plan's participants via an online/internet advice provider? (Yes/No) If yes, complete the chart below:

Online advice vendor:	
Used since:	
Number of participants utilizing service:	
Number of plans utilizing service:	
Total amount of participant assets in the service:	
Average participant utilization rate per plan:	

- C2. Does your firm work with multiple advice providers? (Yes/No). If yes, can the Committee choose the provider?
- C3. Will your Firm provide online investment advice with assistance provided by your on-site participant service representative(s)? For example, the on-site participant service representative would be expected to explain the online advice tool to the participant, perform the data entry, and generate and explain the output of the service in a one-on-one meeting. (Yes/No) If yes, describe your process for offering this service.

- C4. Will your Firm offer a managed account service, if requested, to the Plan’s participants? (Yes/No) If yes, complete the chart below.

Managed account vendor:	
Used since:	
Number of participants utilizing service:	
Number of plans utilizing service:	
Total amount of participant assets in the service:	
Average participant utilization rate per plan:	

- C5. If applicable, is the managed account service coupled with online advice or could the Committee choose to exclude the managed account service and just offer online advice? (Yes/No) Briefly discuss as needed.
- C6. Will you offer investment advice to the Plan’s participants on an in-person basis other than presenting the online advice provider through the on-site participant service representative? (Yes/No) If yes, complete the chart below.

In-person advice vendor:	
Used since:	
Number of participants eligible to utilize service	
Number of participants utilizing service:	
Number of plans utilizing service:	
Number of meetings in 2015:	
Number of meetings in 2014:	
Average participant utilization rate per plan:	

- C7. If applicable, what certifications, licenses and training are the individuals who provide participant investment advice to participants required to obtain (e.g. Series, 7, 63, 65, insurance licenses, etc.)? Please only state required certifications and distinguish between local (on-site) participant representatives and home office (call center) participant representatives.
- C8. Do any of these individuals have any U-4s or Disclosure Events listed with FINRA? (Yes/No) If yes, explain.
- C9. If you have indicated above that your Firm will provide investment advice, either through the use of an online advice tool or otherwise, provide a sample investment advice report document that is provided to participants. Include this in the Exhibit Binder and label it Exhibit 6.
- C10. Will your Firm or the investment advice provider that you are partnered with assume fiduciary responsibility for the investment advice given to participants? (Yes/No)
- C11. If your Firm will partner with another firm to provide investment advice, internet-based or otherwise, will the Committee be required to contract separately with that firm? (Yes/No)
- C12. Will you offer participants comprehensive financial planning services? (Yes/No) If yes, will you offer participants comprehensive financial planning services through a Certified Financial Planner? (Yes/No)
- C13. If you answered yes to Question C12, is this person(s) an employee of your organization or subsidiary? (Yes/No)

- C14. If applicable, do any of the individuals that provide financial planning services have any U-4s or Disclosure Events listed with FINRA? (Yes/No) If yes, explain.
- C15. How many on-site service representatives are being proposed for the servicing the Plan?
- C16. Describe the physical and personnel resources you will either provide to or need from the Committee for on-site services such as office space, conference rooms and clerical/administrative support for meeting arrangements as relevant to the services provided.
- C17. Complete the following for each on-site participant service representative that would be assigned to the Plan. Only include the names of representatives who would meet face-to-face with participants.

Representative's Name:	
Years at Firm:	
Years in industry:	
Location:	
Total number of accounts serviced:	
Total assets serviced:	
Total number of participants serviced:	
University degree(s) (BA/BS/MBA, etc. and school(s)):	
Professional Credential(s):	
FINRA/Insurance License(s):	
Typical work schedule (days and hours):	
Anticipated turnaround time for returning emails and/or phone calls:	

- C18. What minimum FINRA/insurance licenses are required for on-site participant service representatives?
- C19. Would the participant service representative work out of his/her house or an office?
- C20. Will the Committee be able to participate in the selection of the on-site participant service representative(s) assigned to the account? (Yes/No)
- C21. How would your Firm handle a scenario where the Committee was not satisfied with the personnel assigned to the account?
- C22. Will you provide on-site, individual meetings and group sessions at sites and times specified by the Committee? (Yes/No)
- C23. Will the participant representative work with the Committee to suggest times to be effective? (Yes/No)
- C24. Based on the Plan's demographic data and your Firm's experience, complete the table below regarding your proposed on-site annual enrollment/education commitment. This response should be based upon the total hours and days that could be committed to under the services contract. If partial service days are considered in the proposal, the partial service days should not be counted as full days, but rather as their proportional equivalent of each day (for example: two half days equal one full day under the contract).

Proposed annual number of on-site service hours:	
Proposed annual number of on-site service days:	

- C25. Discuss the compensation structure for any contractor and/or employee (including the on-site participant service representatives) of your organization who would meet face-to-face with the participants and whether this compensation is one-time, recurring or varies based on the investments or products chosen by the participant.
- C26. Are your on-site participant service representatives and/or any other employees given incentives to sell the following products or services: online advice, managed accounts, guaranteed minimum withdrawal benefit options, and/or managed payout options? (Yes/No) Complete the tables below. State additional products or services that apply.

Approximate % of Total Compensation	%
Base Rate/Salary	
Variable	
Is Variable Compensation Based on Adoption of:	Yes/No
Fixed or General Account/Stable Value	
Managed Accounts	
Guaranteed Minimum Withdrawal Benefit	
Managed Payout Options	
Other Proprietary Investments such as Mutual Funds	

- C27. Briefly describe your education strategy or other outreach targeted to terminated employees generally and retired participants specifically.
- C28. How do you measure and/or benchmark the impact your communication and education efforts have on participant behavior? Briefly describe your capability to track and report to the Committee on a quarterly basis the success or effectiveness of various communication and education outreach campaigns.
- C29. Are you willing to conduct surveys to assess the success of any education program? (Yes/No) If yes, provide a participant survey example in the Exhibit Binder and label it Exhibit 7.
- C30. If applicable, how frequently would you propose participant surveys be conducted? How frequently can the Committee have participant surveys be conducted without incurring additional costs?
- C31. Are you willing to put monetary performance guarantees on the effectiveness of certain education campaigns or survey outcomes? (Yes/No) If yes, please describe. For example, are you willing to put dollars at risk for failing to achieve enrollment, contribution rate and/or asset allocation goals? Or, are you willing to put dollars at risk for an average survey response that rated services below a prescribed standard?
- C32. As it pertains to the performance guarantees referenced in Question C31, have you ever had to make payments to any clients for failure to perform on these types of guarantees? (Yes/No) If yes, please state how many times over the last three (3) years such payments have been made.
- C33. Are you willing to provide the Plan with any customized educational materials? (Yes/No) If yes, briefly describe what level of customization is available for the following:

- Website:
- Education booklets:
- Mailers:
- Participant statements:
- Mobile applications:
- Participant forms:
- Others:

- C34. Does your Firm provide educational services to participants through the use of webinars, including interactive webinars? (Yes/No) If yes, provide a demo session.
- C35. What is done by your Firm to encourage participants to use the educational tools available to them?
- C36. Do participant statements aggregate all account information if the employee were to have multiple plans/accounts with you? (Yes/No)
- C37. Do all statements allow for a customized message from the Committee? (Yes/No) If yes, what limitations are placed on the size or length in words or characters of the message?
- C38. Complete the chart regarding information available on participant statements. Mark (Yes/No) as appropriate and fill in the requested number of business days.

	Yes/No
Monthly fund performance:	
Quarterly fund performance:	
1-year fund performance:	
3-year fund performance:	
5-year fund performance:	
10-year fund performance:	
Cash flow for quarter:	
Roth deferrals for quarter:	
Asset allocation:	
Total assets:	
Total Roth assets:	
Total outstanding loan amount:	
Loan repayment detail:	
Personal rate of return:	
Does the return take into account cash flow:	
Expense ratios:	
Projected retirement income based upon account balance and growth assumptions:	
	<b># Business Days</b>
How many days after quarter-end are statements mailed?	
How many days after quarter-end until statements are available online?	
How long are statements available?	

- C39. If applicable, what method is used to calculate the personal rate of return? Explain your calculation method.
- C40. Provide a sample quarterly participant account statement. Include this in the Exhibit Binder and label it Exhibit 8.
- C41. Can participants print on-demand account statements with self-selected time periods from your website? (Yes/No)
- C42. Complete the following table regarding the information and transaction capabilities available to Plan participants through Phone Service Representatives (“PSR”), Voice Response Unit (“VRU”), Internet and mobile app. For the starred (\*) transactions, complete the “Time Needed to Complete Transaction” column showing any timing differences that may exist among the three forms of access (PSR, VRU and Internet).

(Indicate availability with Yes/No)

Participant Inquiry/Transactions	PSR	VRU	Internet	Mobile App	* Time Needed to Complete Transaction
Total Account Balance					
Roth Account Balance					
Account Balance by Fund					
Roth Account Balance by Fund					
Investment Elections					
Deferral Rate					
Roth Deferral Rate					
Contribution History					
Transaction History					
Withdrawal History					
Outstanding Loan Balance					
Loan History					
Loan Modeling*					
Beneficiary Designation*					
Fund Performance					
Specific Investment Advice*					
Automatic Rebalance*					
Paperless Fund to Fund Transfers*					
Paperless Future Investment Election Change*					
Paperless Enrollment*					
Paperless Deferral/Roth Deferral Change*					
Prospectus Request*					
Paperless Loan *					
Paperless Term Distribution *					
Investment Advice Online					
Hardship Application and Status					

Participant Inquiry/Transactions	PSR	VRU	Internet	Mobile App	* Time Needed to Complete Transaction
Account Distribution Information					
Projected Retirement Income					

C43. Where is your national customer service center(s) located? List hours of operation in Eastern Time.

Location	Days of Operation	Hours of Operation	Number of Service Reps

C44. What securities licenses are your customer service center representatives required to maintain? Provide your answer in the table below.

Licenses	Yes/No
Series 6	
Series 7	
Series 63	
Series 65	
Series 66	
Insurance	
Others (List)	

C45. Except for investment advice offerings and self-directed brokerage options, are there any outside contractors or vendors that would provide services to the Plan? (Yes/No) If yes, briefly describe.

C46. Complete the following table regarding your call center and website:

	2015	2014	2013	2012	2011
Average call response time (min:sec):					
Average length of calls (min:sec):					
Number of dropped calls:					
% of transactions handled by VRU:					
% of transactions handled by web:					
% of transactions handled by PSR:					
Call center personnel turnover rate:					

C47. Are participants able to enroll and make changes to their accounts by filling out a paper form? (Yes/No)

C48. Does the Committee have the ability to create a custom participant message for posting on the Internet site? (Yes/No) If yes, what limits are placed on the size of the message?

C49. Does your Firm provide for online participant loan applications? (Yes/No)

- C50. What is the latest time that a participant can make an investment transfer request and be assured that the transaction will be processed at the end of that day? Time should be listed in Eastern Time.
- C51. Provide a test address and password in the table below for a representative participant website access experience.

	Sample Website
Web address:	
Log-in:	
Password:	

- C52. Briefly explain how phone and website passwords are assigned and changed.
- C53. Once your Firm receives a participant distribution or rollover request, how long does it take in business days for a check to be mailed out?
- C54. Once your Firm receives a participant distribution or rollover request, how long does it take in business days for an electronic payment to be made to the participant's outside account?
- C55. Can participants select their own periodic payment distribution dates? (Yes/No)
- C56. Can this date be changed at a later date? (Yes/No)
- C57. Can participants specify a specific fund source and/or fund order for the distribution? (Yes/No)
- C58. Can participants specify a specific tax source (i.e. pre- or Roth/post-) for the distribution? (Yes/No)
- C59. Briefly describe any other participant services, not already noted in this response, that you would make available to the Plan. Please number each item.

## D. Plan Sponsor Services

- D1. Complete the table for any person who would work directly with the Committee, such as a regional field manager(s) or a relationship manager(s). Include only the names of representatives who would meet face-to-face with Committee members. Exclude personnel stated in Question C17 unless that person(s) would spend a material amount of time working with Committee members (independent of participants).

Representative's Name:	
Years at Firm:	
Years in industry:	
Location:	
Total number of accounts serviced:	
Total assets serviced:	
Total number of participants serviced:	
University degree(s) (BA/BS/MBA, etc. and school(s)):	
Professional credential(s):	
FINRA/Insurance license(s):	
Work schedule (days and hours):	

Anticipated turnaround time for returning phone calls:	
--------------------------------------------------------	--

- D2. Will your Firm assign the Plan a relationship manager that will serve as a single point of contact? (Yes/No) If yes, would this employee attend regular Committee meetings at County headquarters as requested? (Yes/No) If yes, would they offer regular Committee education or training at these meetings?
- D3. Will the Committee be able to participate in the selection of this relationship manager assigned to the account? (Yes/No)
- D4. How would your Firm handle a scenario where the Committee was not satisfied with the relationship manager assigned to the account?
- D5. Briefly describe your organization’s commitment to quality and your philosophy/approach to client services.
- D6. Briefly describe how you monitor both Committee and participant satisfaction.
- D7. How frequently do you conduct client satisfaction surveys at the Committee’s level?
- D8. Does your firm provide training at the Committee level? (Yes/No) If yes, please briefly describe your educational efforts, strategy and/or campaigns designed specifically for Committee members assigned to work on the Plan.
- D9. Complete the table below regarding tasks an authorized Committee member working on the Plan is able to accomplish on behalf of participants. If they are able to accomplish each task, list what format is available as well as when each of the first two become effective.

Task	Able to do?	Format (web, paper, etc.)	When effective?
Change participant information (name, address, beneficiaries, other contact information, etc.)			
Separate participants online when they leave the County			
View deferrals per participant			
View account balance(s) as of a given date			
View Plan statements per quarter			
View YTD contributions per participant			

- D10. Complete the table below regarding all of the reports you currently provide to plan sponsors and/or committee members.

Report	Frequency	Available in Paper?	Available on Website?

Expand as necessary

- D11. Provide sample plan activity report(s), a quarterly plan sponsor statement, and a daily, monthly, quarterly, and annual accounting statements for a participant-directed retirement plan. Total reports are not required,

but include enough pages of each report to demonstrate its use and features. Include with your proposal a set of screen shots used for electronic delivery. All should be included in the Exhibit Binder and label it Exhibit 9.

D12. Complete the table below to allow access to the demo plan sponsor website.

Sample Website	
Web address:	
Log-in:	
Password:	

D13. Indicate which administrative functions the Committee may outsource, assuming they make use of all your administrative services and authorize your Firm to make approvals or otherwise perform.

	Will Proposing Firm perform this function? (Yes/No)	Once authorized, will the Proposing Firm carry out this function without further Committee involvement? (Yes/No)
Qualified Domestic Relations Order (QDRO) Review		
QDRO Approval		
Emergency Distribution Review		
Emergency Distribution Approval		
Beneficiary Change Processing		
Term Distribution Processing		
Minimum Required Distribution Processing		
De minimis Distribution Processing		
Plan Document Review/Update		
New Participant Loan Applications and Approval		

D14. Complete the table below indicating the information and services you provide specifically to plan sponsors over the Internet.

Function	Proposing Firm will offer this function? (Yes/No)
Report Writing Capabilities	
Payroll Deferral Posting Data	
Participant Account Balance Information	
Plan Account Balances by Fund	
Indicative Data Changes	
Withdrawal Request/Status Tracking	
Total Outstanding Loan Balances	
Total Number of Loans in Default	

- D15. Does your Firm offer a Roth 457 account deferral feature? (Yes/No) If no, describe your planned time-table for offering this feature.
- D16. Does your Firm offer a Roth 457 in-service account conversion feature? (Yes/No) If no, describe your planned time-table for offering this feature.
- D17. If a participant is contributing to both traditional pre-tax and Roth after-tax, do their future investment allocations have to be the same or can they choose a different investment allocation for each (traditional versus Roth)?
- D18. If a participant has an existing balance in both traditional pre-tax and Roth after-tax, do their existing investment allocations have to be the same or can they choose a different investment allocation for each (traditional versus Roth)?
- D19. Describe when and how the Committee and participants would be notified of loan default status, either while in service or post-separation. Be sure to include an explanation of what assistance you require from the Committee in this regard.
- D20. Describe your Firm's participant loan administration processes and capabilities, including how a participant would apply for a loan and how the deduction information would be transmitted to the County.
- D21. In the past five years, have any of your Firm's public sector clients experienced participant loan defaults that were not reported to the plan sponsor and/or participant in a timely fashion, resulting in taxes not being paid in the correct year? (Yes/No) If yes, how many plans managed by your Firm experienced such an event?
- D22. Complete the table below regarding the percentage of defined contribution (DC) plans that offer automatic enrollment and/or a Roth deferral feature. For the governmental plans, these statistics should compare governmental plans with other governmental plans only.

Year	% of Total DC Plans with Auto Enroll	% of Total DC Plans with Roth Deferral	% of Governmental DC Plans with Auto Enroll	% of Governmental DC Plans with Roth Deferral
2015				
2014				
2013				
2012				
2011				

- D23. Do you need the County to specifically identify whether a Plan participant is making regular contributions, pre-retirement catch-up contributions, and/or age 50+ catch-up contributions? (Yes/No for each contribution type)
- D24. Briefly describe any other administrative outsourcing services, not yet noted, that your Firm would make available to the Committee.
- D25. Are all communication and education services configured to comply (at a minimum) with the provisions of applicable federal and New York law? (Yes/No)

- D26. Will you comply with all applicable laws and regulations including the Small Business Job Protection Act of 1996, Economic Growth and Tax Relief Reconciliation Act of 2006 and all Treasury regulations? (Yes/No)
- D27. Although ERISA is not applicable to public sector plans, will you comply with the communication and education requirements of subdivision (c) of Section 1104 of Title 29 of the US Code, commonly referred to as Section 404(c), as a means of assuring that the Committee meets its fiduciary responsibilities? (Yes/No)
- D28. Does your Firm apply the US Department of Labor (DOL) plan sponsor and participant regulations requiring fee disclosure to plan sponsors with and participants in non-ERISA-governed plans? (Yes/No) If no, briefly explain why and offer a timeframe in which you could comply with those regulations in relation to this Plan. If yes, please include a sample in the Exhibit Binder and label it Exhibit 10.
- D29. Are you willing to indemnify and hold both the Committee and County harmless from any legal claims and actions arising out of the educational activities you provide to Plan participants (Yes/No) If no, briefly explain.
- D30. Will you provide legal assistance and compliance to assure the Plan operates in compliance with current and future Internal Revenue Code Section 457 provisions? (Yes/No)
- D31. How will you inform the Committee of actual or contemplated changes in laws or regulations that would impact the Plan?
- D32. Does your Firm provide a plan sponsor newsletter? (Yes/No) If yes, provide a copy of the two most recent editions of this newsletter. Include these in the Exhibit Binder and label it Exhibit 11.

## **E. Investment Flexibility**

Some of the questions below pertain to any capital preservation investment options the Proposing Firms may require (whether to enhance their pricing or otherwise).

- E1. Provide the crediting rate formula for the required capital preservation investment option (stable value, General or Fixed Account, etc.). Illustrate the current rate using this formula.
- E2. For this required capital preservation investment option, provide monthly or quarterly investment returns, net of management and wrap fee, for the last 10 years in an Excel spreadsheet. Include this in the Exhibit Binder and label it Exhibit 12.
- E3. For this required capital preservation investment option, provide the most recent attribution sheet that shows the current portfolio breakdown by sector along with any and all wrap providers.
- E4. As applicable, provide a list of the fixed/stable value option wrap providers and indicate whether or not they are currently providing additional wrap capacity.
- E5. Provide the market-to-book value ratio (or formulaic equivalent adjustment factor) for this required capital preservation investment option(s) and the crediting rate (net of fees) for each of the following years:

(Yes/No)	Market Value to Book Value Ratio	Net Annualized Credit Rate
2015		
2014		
2013		
2012		
2011		
2010		
<i>Example</i>	<i>102.75%</i>	<i>2.75%</i>

- E6. What benchmark is used to evaluate the performance of this required capital preservation investment option?
- E7. For this required capital preservation investment option, do the assets sit on the Proposing Firm's balance sheet? (Yes/No)
- E8. Provide a list of all stable value products that are available through your investment platform.

Product Name	Expense Ratio	Revenue Share	Current Net Crediting Rate

- E9. For the stable value fund or fixed option, are you able to offer a guaranteed minimum floor above 0.00%? (Yes/No) If yes, please explain and specify for how long the rates are guaranteed?
- E10. For any product that has a put provision, will you allow the Committee to provide notice of possible liquidation in advance of any formal decision? For example, could the Committee ask you to begin the put notification period and then elect at a later time to keep the fund prior to any actual liquidation and without any charge to the Plan and participants? (Yes/No)
- E11. Would the rate on this required capital preservation investment option be more favorable if you were able to impose some sort of additional liquidity restriction? (Yes/No) If yes, please briefly describe.
- E12. For all investment options on your platform, do you have restrictions on the number of trades a participant may make in a month, quarter, and year? (Yes/No) If yes, briefly describe.
- E13. What is your process for identifying excessive participant trading in retirement plan accounts and reporting these events to the participant and the Committee?
- E14. Can your organization apply short-term redemption fees? Is it your practice to apply short-term redemption fees in accordance with the fund company's policies? (Yes/No)
- E15. How are participants notified if a trade or transfer they are making will have a redemption fee assessed? Does your system provide them guidance on how to avoid this charge? (Yes/No) If yes, briefly describe.

- E16. How are participant investment-related account errors handled, including the reporting of them to the Committee, and how long does the participant have to report errors after discovery?
- E17. How long will it take you to add or remove a fund from the Plan once you have been given instructions?
- E18. Are fund additions and deletions subject to any monthly, quarterly or annual schedule? (Yes/No) If yes, define the schedule.
- E19. If a fund is not setup on your platform, are you willing to add new funds? (Yes/No)
- E20. Briefly describe any restrictions to adding new funds to your platform.
- E21. Are you willing to process non-NSCC eligible investment options? (Yes/No) If yes, please describe any costs associated with the trades?
- E22. Is your Firm able to aggregate assets in one fund across your other clients to achieve enhanced pricing through satisfying breakpoints?
- E23. Provide a list of the investment options available through your proprietary and alliance networks. This list should include ticker symbols, expense ratios and revenue share information available for every fund. Segment the list by asset class. Provide this report in an Excel spreadsheet and include this in the Exhibit Binder and label it Exhibit 13.
- E24. Briefly discuss your Firm's capabilities around recordkeeping investment options offered by a different financial organization after transfer to your Firm.
- E25. Answer Yes/No in the table below to indicate your Firm's ability to provide record keeping for the Plan options that may include:

Investment Type	Yes/No
Non-proprietary Commingled Trust Investment Products	
Non-proprietary Separate Account Investment Products	
Exchange-Traded Funds (ETFs)	
Non-proprietary Annuity/Guaranteed Retirement Income Products	

- E26. Do you offer a self-directed brokerage account (SDBA) option? (Yes/No)
- E27. Which brokerage house(s) can be utilized?
- E28. What types of securities are participants able to trade via the SDBA?

	Yes/No
Stocks	
Bonds	
ETFs	
Mutual Funds	
Stock Options	
Other Derivatives	
Closed-end LP	

- E29. Do you have the ability to restrict trading in certain securities? (Yes/No) If yes, please briefly explain.
- E30. Do you have the ability to restrict the amount of assets within the SDBA? (Yes/No)
- E31. Discuss the process of transferring assets to/from the core account, and any restrictions in trading frequencies, asset amounts or timing that may be imposed in the SDBA.
- E32. If participants are holding money within the SDBA but not in positions, does this holding account need to be a fund already in the core lineup? (Yes/No) Please briefly describe.
- E33. Describe what information your quarterly statements include regarding specific transactions conducted in the SDBA.
- E34. Provide a sample participant statement that your recommended SDBA partner would provide to participants. Include this in the Exhibit Binder and label it Exhibit 14.
- E35. Do you currently offer any sort of guaranteed minimum withdrawal benefit (GMWB) product? (Yes/No) If yes, please briefly describe the product including a description of the investment vehicle(s) and pricing. Include this description in the Exhibit Binder and label it Exhibit 15.

## **F. Transition**

- F1. How many governmental 457 plans over \$150 million has your Firm transitioned from other providers in the past five years?
- F2. For the most recent past five transitions of assets and participants you have performed for a governmental plan, what was the longest blackout period? What was the average blackout period?
- F3. Provide an outline of your transition plan for the Plan. Include a timeline that describes necessary actions, responsible parties and target completion dates. Assume a transition date of August 30, 2016. Include this in the Exhibit Binder and label it Exhibit 16.
- F4. How will you guarantee your stated implementation timeframe? How will you measure the success of the transition?
- F5. Provide a one-page outline of your plan for communicating the transition to participants. Include this in the Exhibit Binder and label it Exhibit 17.
- F6. Will you offer the Committee a dedicated transition management team? (Yes/No) If yes, briefly describe the team members and their roles, including how many other transitions they might be working on coincident with this Plan, and how many prior transitions they have worked on (include plan assets/number of plan participants) and the number of plans they transitioned away from VALIC specifically.
- F7. Based on the Plan's demographic data and your Firm's experience, complete the table below regarding your proposed on-site education/communication commitment for the transition period. This response should be based upon the total hours and days that could be committed to under the services contract. If partial service days are considered in the proposal, the partial service days should not be counted as full days, but rather as their proportional equivalent of each day (for example: two half days equal one full day under the contract).

Proposed total number of service days	
Proposed total number of service hours	

- F8. How will you handle accounts already in systematic distribution during a Plan transition?
- F9. Briefly describe your approach to communicating with retired or otherwise separated employees.
- F10. Will you process emergency distribution requests during the blackout? (Yes/No) Briefly describe how emergency distribution requests will be handled during the blackout.
- F11. Briefly explain any anticipated blackout periods and what transactions would be prohibited during this period.
- F12. How long do you anticipate the entire blackout period lasting?
- F13. Will participant assets be out of the market at anytime during the transition? (Yes/No) If yes, briefly describe.
- F14. Are you able to transfer any of the plan assets/shares (included those in the SDBA) in-kind? (Yes/No) If yes, please identify and briefly explain.

**G. Fee Structure**

- G1. Complete the table below, showing your Firm’s proposed annual fee, as a percentage of Plan assets (excluding loans and SDBA assets), for providing retirement plan administration, record keeping, participant services, plan sponsor services and on-site education and counseling, assuming an open architecture with no proprietary investment options and/or proprietary services.

Contract Term	Revenue Requirement
Three Years	
Five Years	
Seven Years*	

\* This bid would technically be a five-year contract with two one-year optional extensions.

- G2. Complete the table below, showing your Firm’s proposed annual fee, as a percentage of Plan assets (excluding loans and SDBA assets), for providing retirement plan administration, record keeping, participant services, plan sponsor services and on-site education and counseling assuming the use of any proprietary products or services such as a specific capital preservation and/or target date investment option, advisory/managed account services, and/or brokerage option. Please list what those proprietary requirements are.

Contract Term	Revenue Requirement
Three Years	
Five Years	
Seven Years*	

\* This bid would technically be a five-year contract with two one-year optional extensions.

- G3. If the final investment line-up selected were to generate some amount of revenue sharing, will you rebate any and all revenue above the contracted amount provided in Questions G1-G2 to the Plan (Yes/No) If yes, when or how frequently would this rebate occur?
- G4. If the Committee desires to assess participants a Committee-imposed asset-based fee to offset Plan administration-related expenses, will your Firm assess this fee on behalf of the Committee and return those collected fees to the Plan as they are collected? (Yes/No) If yes, please briefly describe, addressing the frequency of the fee and how it would be calculated and assessed.
- G5. If the response to Question G3 is yes, what are the plan sponsor options in terms of the set up of the account to hold such assets, and in what type of vehicles may the assets be invested? Will your Firm hold onto this in a separate account?
- G6. If your firm is able to return excess revenue to the Plan, can the Committee receive a quarterly payment? (Yes/No) If yes, will it be a check, electronic transfer (such as a wire) or both? Describe the frequency(ies) other than quarterly.
- G7. As it relates to the plan sponsor administrative fee described above, will your Firm, if directed, apply a hard dollar annual per participant fee cap? (Yes/No)

*For example: The plan sponsor may wish to assess participants a plan administration fee of 0.10% of assets, but only to a maximum of \$150 per year. (Participant with over \$150,000 in assets would pay a maximum of \$150 and the 0.10% would not be applied to balances greater than \$150,000.)*

- G8. Will your Firm, if directed, credit revenue share from the investment providers towards offsetting any per-participant plan administration fee? (Yes/No)
- G9. Will your Firm, if directed, return revenue share from investment providers in a pro-rata fashion directly back to the participants who had invested in those funds each quarter, if so directed by the Committee? (Yes/No) If yes, please briefly describe.

*For example: Participant A invests in Fund A and Fund B. Fund A generates 0.25% in revenue share annually and Fund B generates 0.15% annually. Participant A holds 0.5% of the Plan's total investment in Fund A and 0.5% of the Plan's total investment in Fund B. Each quarter 0.5% of the revenue received or credited from Fund A would be reimbursed into Participant A's account and 0.5% of revenue from Fund B would be reimbursed into Participant A's account. Other participants with different proportionate shares of the Plan's total investments in Fund A and Fund B would receive different reimbursements in accordance with their proportional share of those funds.*

- G10. Will your Firm apply different revenue share rebate credits and/or administrative fee offsets at the participant level as applicable to each fund? (Yes/No) If yes, please briefly describe.

*For example: A participant invests in Fund A, Fund B and Fund C. Fund A generates 0.25% in revenue share annually, Fund B generates 0.10% annually and Fund C generates no revenue sharing. The Committee has elected to assess all participants a 0.10% administrative fee annually that can be partially or fully offset by any fund revenue sharing. Accordingly, participant assets that are invested in Fund A that shares 0.25% would receive an account credit of 0.15% based on the assets in Fund A; participants in Fund B would receive no credit and no applicable administrative charge assessed to the assets in Fund B; and participants in Fund C would be charged the full 0.10% on the assets invested in Fund C.*

- G11. As a requirement to contracting with the Committee, will you commit in writing to specifically disclosing all revenues received from the investment options and services you offer to the Committee? (Yes/No)
- G12. Describe the fee, if any, for providing investment advice, be it through the on-site representative using an online tool, or through the representative using some other program or approach.

- G13. Provide a fee schedule for the self-directed brokerage account (SDBA) option. Be sure to include set-up and maintenance fees as well as trading costs.
- G14. What direct or indirect revenue, if any, would you receive from any SDBA?
- G15. Would you include the assets invested through the SDBA in the calculation of the revenue requirement provided for in this section? (Yes/No) If yes, would you include the revenue received for SDBA assets in the revenue calculation? (Yes/No)
- G16. If applicable, will your Firm credit all revenue received from assets invested in the SDBA back to the participant accounts associated with the SDBA investment? (Yes/No) If yes, please briefly describe.
- G17. Are you able to apply the Committee-imposed administrative fee referenced in Question G4 and/or the fee cap referenced in Question G7 to all participant assets, including those invested through the SDBA? (Yes/No) Please briefly describe the process for billing SDBA assets in this regard.
- G18. Complete the following charts illustrating the online trading costs associated with each SDBA. Include only the total trading cost per security. Assume no contingent fees (such as short-term redemption fees) are paid.

Stock Trade	100 shares ticker: FB	10,000 shares ticker: CYDY
Stock trade cost:		

*Assumptions:*

*FB – Facebook, Inc. – Assume \$100 per share*

*CYDY – Cytodyn, Inc. – Assume \$0.75 per share*

Bond Trade	\$10,000 Par Value Corporate Bond	\$10,000 Par Value US Treasury Bond
Bond trade cost:		

*Assumptions:*

*Corporate Bond – \$10,000, AAA-rated bonds trading at par value*

*US Treasury Bond – \$10,000, 5-year US Treasuries trading at par value*

Mutual Fund Trade	200 shares ticker: VFINX	200 shares ticker: BARAX
Mutual fund trade cost:		

*Assumptions:*

*VFINX – Vanguard 500 Index – Assume \$175 per share*

*BARAX – Baron Asset – Assume \$50 per share*

- G19. What is the proposed annual account fee for the SDBA option?
- G20. Do the brokerage firm(s) with whom you partner provide any compensation to your organization (including revenue share from funds)? (Yes/No) If yes, briefly describe. Will the specific dollars you receive in compensation be disclosed in a 408(b)(2) or other such similar notice?
- G21. If applicable, provide a fee schedule for any services you would provide related to financial planning.

- G22. Are fees for a financial planning service proposed by your Firm assessed to the entire participant population or only to those who use the service?
- G23. Please provide a fee schedule for your online advice and managed account program. Please also indicate whether or not the revenue for these programs would apply towards any revenue or pricing requirements provided in Questions G1-G2 above.
- G24. Provide a list of all other non-asset based, participant-related administration expenses. Items such as per head record keeping fees, loan fees, and additional withdrawal processing expenses should be included.

Participant Administration Services	Cost of Services
Loan set-up	
Loan maintenance	
In-service withdrawals	
Emergency withdrawals	
Required minimum distributions	
QDRO determination	
QDRO processing	
Stop payment	
Replacement 1099-R	
Wire transfer/ETF	
Others	

- G25. Provide a list of all non-asset based plan sponsor-related administrative expenses. This would include special reporting charges, legal fees, administrative processing fees, communications fees, QDRO administration fees, and plan document preparation fees (including any fees to maintain, update, and/or ensure compliance of such document with the Internal Revenue Code).

Plan Sponsor Administration Services	Cost of Services
Plan reporting	
Plan document preparation	
Plan document maintenance	
Identifying population eligible for required minimum	
Lost participant/bad address search	
Assistance with audits	
Custom communications including customization of website	
Others (list)	

- G26. Identify all non-asset based participant and plan sponsor service fees not included above.
- G27. Will you agree to make participants and/or the Plan whole for any and all record keeping and/or administrative errors within your control? (Yes/No)
- G28. Complete the following table describing the performance guarantees, if any, you propose. Disclose the dollars you are willing to put at risk for failing to meet the proposed benchmarks.

	Benchmark	Amount at Risk
<b>Phone</b>		
Plan sponsor services response time:		
Participant services response time:		
Return all calls to plan sponsor within __:		
Return all calls to participants within __:		
<b>Statements</b>		
Participant statement mail time:		
Sponsor plan statement mail time:		
Participant online statement posting:		
Sponsor online statement posting:		
<b>Participant Services</b>		
Number of on-site individual meetings:		
Number of on-site group meetings:		
Financial planning services:		
Plan participation rate increases:		
Deferral rate increases:		
<b>Transition</b>		
Timeline:		
Deliverables:		
On-site meetings:		
<b>Administration</b>		
Contribution posting:		
Withdrawals processed:		
Emergency withdrawals processed:		
Rollovers/transfers out:		
Loan processing (if applicable):		
<b>Plan Sponsor Services</b>		
Report delivery:		
Training:		
<b>Overall Satisfaction</b>		
Draft and distribute survey:		
Satisfaction survey score:		

G29. Will you agree to provide reports to the Committee that detail all service performance benchmarks and whether or not they are being met? (Yes/No) If yes, how frequently are the reports available?

## H. References

### Current Governmental Client References

Provide the following information for five (5) governmental employers with plan assets over \$150 million for which your Firm presently provides 457 record keeping and plan administration services. Select a

contact person for each plan who has managerial/committee member responsibilities associated with the plan.

Client name:	
Client assets:	
Contact name & title:	
Contact number:	
E-mail address:	
Address:	
Inception date:	
Total plan size/total participants:	

**Former/Terminated Client References**

Provide the following information for three (3) governmental employers for which your Firm has, in the last five years (but does not presently), provided 457 record keeping and plan administration services. Provide a contact person who has/had managerial/committee member responsibilities associated with the plan.

Client name:	
Contact name & title:	
Contact number:	
E-mail address:	
Address:	
Inception date:	
Termination date:	
Total plan size/total participants:	

**Transition References**

Provide the following information for three (3) governmental 457 plans with plan assets over \$150 million each, for which you have performed an incoming plan asset and participant date transition within the past three years. Select a contact person at each client that was directly involved with the transition process.

Client name:	
Contact name & title:	
Contact number:	
E-mail address:	
Address:	
Inception date:	
Total plan size:	

**VI. ATTACHMENTS**

Attachment A: Overview of Deferred Compensation Plans in New York State

Attachment B: Rules and Regulations of the New York State Deferred Compensation Board

Attachment C: Breakdown of Current Plan Assets by Fund