



## City of Norwich

Department of Finance – Purchasing Agent  
100 Broadway, Room No. 105  
Norwich, CT 06360

Phone: (860)823-3706  
Fax: (860)823-3812  
E-mail: [whathaway@cityofnorwich.org](mailto:whathaway@cityofnorwich.org)

### REQUEST FOR PROPOSALS

**RFP No.:** 15-12

**Opening Date and Time:** June 9, 2015 at 2:00 P.M.

**Title:** Plan Documentation, Administration, Investment and Recordkeeping Services for Deferred Compensation Plans

**Special Instructions:**

The following information must appear in the lower left hand corner of the envelope:

Sealed Proposal No.: 15-02

Not to be opened until June 9, 2015 at 2:00 P.M.

#### **Return Proposals to:**

William R. Hathaway, Purchasing Agent  
City of Norwich  
100 Broadway, Room 105  
Norwich, CT 06360-4431



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**PLEASE RETURN THIS FORM IMMEDIATELY!**

### Acknowledgement: Receipt of RFP Documents

Please take a moment to acknowledge receipt of the attached documents. Your compliance with this request will help the City of Norwich to maintain proper follow-up procedures and will ensure that your firm will receive any addendum that may be issued.

Date Issued: 05/11/2015

Date Documents Received: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

Do you plan to submit a response? \_\_\_\_\_ Yes \_\_\_\_\_ No

Print or type the following information:

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Received by: \_\_\_\_\_

**Note: Faxed or e-mailed acknowledgements are requested.**

**Fax No.: (860)823-3812**

**E-mail: [whathaway@cityofnorwich.org](mailto:whathaway@cityofnorwich.org)**

**Fax or e-mail this sheet only. A cover sheet is not required.**

**DO NOT FAX OR E-MAIL YOUR RESPONSE TO THIS RFP**

## 1. INTRODUCTION

### EXECUTIVE SUMMARY

The City of Norwich, including Norwich Public Utilities (hereinafter referred to as “City”), currently provides deferred compensation plans (Plans) for voluntary employee contributions via Voya Financial and ICMA. It is the intent of this RFP to solicit proposals from qualified firms to administer these Plans for new contributions from all employees to be effective November 1, 2015.

### PLAN INFORMATION

The City has roughly 450 eligible employees, of whom, 241 participate in the Plans. All participation in the current Plans is voluntary and all contributions are funded by the employee.

			<b># of Active Participants</b>	<b>Weekly Deductions</b>	<b>Plan Balance (includes Active, Inactive, and Retired)</b>
ICMA-RC	City	457(b)	56	\$ 2,400	\$ 2,500,000
ICMA-RC	City	401A	0	\$ -	\$ 15,000
ICMA-RC	City	Roth IRA	55	\$ 2,300	\$ 250,000
Voya (ING)	City	457(b)	70	\$ 6,900	\$ 8,400,000
ICMA-RC	NPU	457(b)	4	\$ 220	\$ 500,000
Voya (ING)	NPU	457(b)	56	\$ 6,200	\$ 5,700,000
			<b>241</b>	<b>\$ 18,020</b>	<b>\$ 17,365,000</b>

## 2. MINIMUM PROPOSER QUALIFICATIONS

Affiliations and partnerships may not be used to satisfy the minimum qualifications listed below. If a merger or acquisition has taken place, the combined organization may refer to the experience and capabilities of both previous organizations together in the response.

- A. The Proposer must have a minimum of \$250 million of deferred compensation plan funds under plan administration.
- B. The Proposer must have been providing plan documentation, design, recordkeeping, administrative, and custodial services for clients for a minimum of five years.
- C. The Client Manager proposed for this engagement must have a minimum client manager experience of five years (three years at the Proposer’s firm) in administration of defined contribution plans.
- D. The Proposer must have three current defined contribution plans for which the Proposer provides plan administration, recordkeeping, and related services.
- E. The Proposer must have been providing recordkeeping, administration, communication/education services for at least three deferred compensation plan clients for a minimum of five years.
- F. The Proposer must have the ability to provide proprietary or non-proprietary mutual funds. The ability to offer group annuity contracts (fixed and variable) should be made clear in the response.
- G. The Proposer must have fiduciary liability and errors and omissions insurance.

The Proposer must represent whether its firm will only make available investment vehicles (including group annuities and mutual funds) whose assets are 100% transferable to another vendor by the City without restrictions, market restrictions, transfer fees, or penalties.

### 3. SCOPE OF SERVICES

#### A. PLAN DOCUMENT, PLAN ADMINISTRATION & RECORDKEEPING

- 1) Proposer must have deferred compensation plan documents (to accommodate employee voluntary contributions on a pre-tax basis), which are kept current with tax and legislative regulations and which can meet the City's plan design specifications.
- 2) Proposer must have the capability of performing daily account valuation, transaction processing, and recordkeeping.
- 3) Proposer's recordkeeping/administration systems must have comprehensive client reporting systems that include the capability to produce customized and ad hoc plan reports electronically.
- 4) Proposer's plan administration and recordkeeping system must have the capability to:
  - a. track employer and participant contributions separately;
  - b. maintain transaction history with archiving capabilities;
  - c. maintain separate accounts for amounts rolled in from other eligible plans by an individual participant; and
  - d. maintain participant accounts at the employer level and plan participant level.
- 5) Proposer must have the capability to process lump sum, installment and rollover distributions and perform any required tax reporting.
- 6) Proposer must have systems and procedures in place to process Domestic Relations Orders, Emergency and Hardship Withdrawals, and Plan-to-Plan Transfers.
- 7) Proposer must have a website that allows participants online access to their accounts. Participants should be able to view balances and activity, as well as initiate transactions.
- 8) Proposer must have the capability to provide participants with transaction confirmation notices and a written or electronic account statement at least quarterly.
- 9) Proposer must have an established backup plan in place that ensures the Proposer can restore all participant data, transaction history, and other client-related data in the event of a system malfunction or failure.
- 10) Proposer must have an established disaster recovery plan in place that includes procedures and regularly scheduled testing of the cut over to the recovery site and return switch over to the main site.

#### B. PLAN MARKETING, PARTICIPANT ENROLLMENT, AND COMMUNICATIONS

- 1) Implementation Duties: Proposer must be willing to assist with the design and implementation of a process and procedure to manage an implementation communication/education campaign for all eligible employees of City.
- 2) Ongoing Duties: Proposer must have a communications/education staff for the purpose of creating and producing marketing, education and communication materials that are designed to meet the information needs of specific plan participants and their beneficiaries, as well as potential plan participants on an ongoing basis.
- 3) Proposer must have trained representatives to promote the plans to participants and present worksite educational seminars and participant meetings on the various plans available to the participants.
- 4) Proposer must be willing to provide a dedicated team of onsite, trained representatives to service the plan participants on an ongoing basis at negotiated periods of time.
- 5) Proposer must be able to communicate directly with participants concerning relevant changes in tax legislation which affect the Plans, changes in enrollments and investment options, transmittal of distributions, and distribution of quarterly benefit statements. The information provided in all such communications should also be available at a centralized web location, and should be sent out by email upon request.
- 6) Proposer must provide a toll-free telephone number with adequate incoming lines, for participant inquiries of their accounts. These lines should be available at minimum, from 7:00 a.m. to 8:00 p.m., Eastern Standard/Daylight Time, on weekdays and weekends.

C. INVESTMENT MANAGEMENT

- 1) Proposer must offer a broad array of investment products (proprietary and non-proprietary) across all global markets and asset classes and styles, including mutual funds and exchange traded funds (these should be non-leveraged and not closed-end mutual funds). Proposer must also offer acceptable options for default funds. Proposer must have a minimum of five years' experience working with the deferred compensation plans.
- 2) Proposer must accurately and fully disclose all investment expenses and revenue-sharing arrangements associated with all investment offerings through the plan. This includes both proprietary and non-proprietary investment options.

4. RFP SCHEDULE

The following RFP Schedule of Events represents the City's best estimate of the schedule that shall be followed. Unless otherwise specified, the time of day for the following events shall be between 8:30 a.m. and 4:30 p.m., Eastern Daylight Time.

RFP Issued	05/11/2015
Questions Due from Respondents	05/26/2015
Responses to Questions – Addendum	06/09/2015
RFP Due Date	06/23/2015
Finalist Interviews	06/30/2015 (est.)
Award Recommendation Submitted to City Manager	07/08/2015 (est.)

The City reserves the right, at its sole discretion, to adjust this schedule as it deems necessary.

Notification of any adjustment of the Schedule of Events shall be provided via email to all Proposers submitting an emailed Letter of Intent to Propose.

\* The award of contract date is approximate

5. PROPOSAL FORMAT AND CONTENT

A. General Proposal Requirements.

1. Proposals should be prepared simply and economically and provide a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of this RFP. Responses should be limited to 50 pages (excluding sample reports, employee communications material samples). Emphasis should be on completeness and clarity of content.
2. Proposers must follow all formats and address all portions of the RFP set forth herein providing all information requested. Proposers may retype or duplicate any portion of this RFP for use in responding to the RFP, provided that the proposal clearly addresses all of the City's information requirements.
3. Proposers must label each response to RFP requirements with the section and subsection numbers associated with the subject requirement in this RFP.

**Failure to follow the specified format, to label the responses correctly, or to address all of the subsections may, at the City's sole discretion, result in the rejection of the Proposal.**

4. Proposals must not contain extraneous information. All information presented in a Proposal must be relevant in response to a requirement of this RFP, must be clearly labeled, and, if not incorporated into the body of the Proposal itself, must be referenced to and from the appropriate place within the body of the Proposal. Any information not meeting these criteria shall be deemed extraneous and shall in no way contribute to the evaluation process.
5. Proposals shall be prepared on standard 8 ½" x 11" paper. Foldouts containing charts, spread sheets, and oversize exhibits are permissible. All responses, as well as any reference material presented, must be written in English.
6. The Sealed Proposal shall be signed by an authorized representative and the sealed envelope addressed as follows:

William R. Hathaway, Purchasing Agent  
City of Norwich  
100 Broadway, Room 105  
Norwich, CT 06360
7. An original hard copy, an electronic copy in either WORD or PDF and six additional hard copies of the proposal are required.
8. Proposals, modifications or corrections received after the scheduled closing time of the receipt of proposals will not be considered. The City of Norwich is not responsible for delays in delivery by mail, courier, etc.
9. No submitted proposal may be withdrawn for a period of 180 days after the scheduled closing time of the receipt of proposals.
10. It is the intent of the City to issue one addendum if necessary. All questions or requests for information or clarification must be submitted in writing to William R. Hathaway no later than [QUESTIONS DUE DATE]. No oral interpretation will be made to any proposer as to the meaning of the proposal specifications or any part thereof. Questions may be submitted by email to [whathaway@cityofnorwich.org](mailto:whathaway@cityofnorwich.org) , by fax to (860)823-3812 or by U.S. Mail to 100 Broadway, Room 105, Norwich, CT 06360.
11. It shall be the Proposer's responsibility to make inquiry as to the addenda issued. Any and all addenda shall become part of the specifications and all Proposers shall be bound by such addenda, whether or not received by Proposer.

## **12. PROPOSAL**

The Proposal shall consist of the Proposal Transmittal Letter, Response to RFP Questionnaire, References, and Fee Proposal. If a proposal fails to detail and address each of the requirements below, the City may determine the proposal to be nonresponsive and reject it.

- A. Proposal Transmittal Letter: The proposal must provide a written transmittal and offer of the proposal in the form of a standard business letter. The Proposal Transmittal Letter signatory must be a company officer empowered to bind the proposing Proposer to the provisions of this RFP and any contract awarded pursuant to it. The Proposal Transmittal Letter shall reference and respond to the following subsections in sequence. The

letter shall clearly:

- 1) state that the proposal remains valid for at least 180 days subsequent to the date of submittal and thereafter in accordance with any resulting contract between the Proposer and the City;
- 2) provide the complete name of the legal entity name and Proposer Tax Identification Number of the firm making the proposal;
- 3) provide the name, mailing address, and telephone number of the person the City should contact regarding the proposal;
- 4) provide written confirmation that the Proposer shall comply with all of the provisions in this RFP;
- 5) state whether the Proposer or any individual who shall perform work under the contract has a possible conflict of interest and, if so, the nature of that conflict. The City reserves the right to cancel an award if any interest disclosed from any source could either give the appearance of a conflict of interest or cause speculation as to the objectivity of the City. Such determination regarding any questions of conflict of interest shall be solely within the discretion of the City;
- 6) attach a copy of a valid certificate of insurance indicating liability insurance and amount of coverage; and,
- 7) attach written certification and assurance of the Proposer's compliance with:
  - a. the laws of the State of Connecticut;
  - b. Titles VI and VII of the federal Civil Rights Act of 1964;
  - c. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
  - d. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
  - e. the condition that the submitted proposal was independently arrived at, without collusion, under penalty of perjury; and,
  - f. the condition that no amount shall be paid directly or indirectly to an employee, official, consultant or representative of the City as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the procurement under this RFP.

B. Response to RFP Questionnaire: The Proposer should respond fully to all questions set forth in this RFP.

C. References: Proposer should use the form provided for professional references.

D. Fee Proposal: Proposer should use the fee matrix provided in this proposal and instructions for presentation of fees.

## **7. EVALUATION AND AWARD OF CONTRACT**

The Proposer selected by the City awards its contract for defined contribution plan services shall be required to enter into a written contract with the City. The contract shall be in a form approved by the City's legal counsel. The City reserves the right to negotiate the terms and conditions of the contract. The City reserves the right to award this contract to the financial institution that best meets the requirements of the RFP and not necessarily to the Proposer with the lowest bid. The City furthermore reserves the right to reject any or all proposals prior to the execution of the contract with no penalty to the City. This RFP and the proposal, or any part thereof, may be incorporated into and made a part of the final contract. The following matrix will be used to score the responses to the RFP:

EVALUATION MATRIX FOR RFP

Category	Importance Weight (Must add up to 100)	Provider Value (Scale: 0-10)	Total (Column 2 x 3)
Organization & History	5		
Client Service /Quality Assurance	5		
Plan Document Services	5		
Recordkeeping / Administration /Custodial	15		
Reporting	5		
Voice Response / Participant Access	5		
Communication & Education	10		
Implementation	5		
System Capabilities and Hardware	5		
Regulatory Compliance	5		
Investments	10		
Custodial	5		
References	5		
Expenses/Fee Proposal	10		
<b>TOTAL WEIGHTED RATING:</b> <b>(maximum of 1,000)</b>			

**8. RFP QUESTIONNAIRE**

Proposer shall provide a response to each question; if response does not meet minimum requirements, it is the Proposer's responsibility to so indicate in the response.

**A. ORGANIZATION AND HISTORY**

1. Please provide the name(s), title(s), address(es), e-mail address(es), telephone number(s), and fax number(s) of the individual(s) responsible for responding to this request.
2. Provide a brief overview of your company and history of your organization including an organizational chart of your retirement plan operations. Please describe any parent/subsidiary/affiliate relationships.
3. Please provide an organizational chart which illustrates the size, location and reporting structure of the

unit within your organization that is responsible for providing investment, communications and record keeping services for deferred compensation plans. Please include the number of employees responsible for each department.

4. Do you expect the current ownership structure to change and if so, please explain the change?
5. Are there any pending agreements to merge or sell the company or its parent?
6. Are you currently participating in any alliances or joint marketing efforts? If so, please describe in detail.
7. Are you aware of any conflicts of interest or possible/perceived conflicts of interest that would inhibit your company from doing business with the City?
8. Please submit all appropriate licenses and certificates for conducting business in the State of Connecticut.
9. Has your firm or any officer or principal been involved in any litigation surrounding its defined contribution mutual fund, annuity, Third Party Administrator (TPA), recordkeeping, and/or education services during the last five years? If yes, please explain the issue(s) and any resolution(s).
10. What are your company's insurance ratings from AM Best, Moody's, and Standard & Poors (if applicable)?
11. Indicate how many years your company has been active in the defined contribution plan business. (Indicate the period of time for each service, if different, such as investment management for X years, recordkeeping for Y years, trustee services for Z years.)
12. Indicate the total value of assets in all defined contribution plans for which you provide recordkeeping services.
13. How many defined contribution plans do you currently administer in the following categories?

Number of Employees	Deferred Compensation Plans	Percentage of Total
Under 100		
100-499		
500-999		
1,000-4,999		
Over 5,000		
Total		

14. Please provide a breakdown of the number of clients you service by percentage of plan type:

Plan Type – Percentage of Total Business			
Type	Full Service	Investment Only	Administration Only
401(a)			
401(k)			
457(b)			
Traditional IRA			
Roth IRA			
Other Deferred Compensation Plans			
<b>Total</b>			

15. Provide a list of all public sector deferred compensation plan clients, along with the number of participants in each plan, lost in the last three years.
16. Please disclose the professional turnover in your defined contribution area in the last five years. Please include the number of professionals lost and number of professionals gained for each year.
17. What insurance does your firm have against liabilities incurred through servicing plans of this type (Fiduciary insurance, E&O, etc.)? Has your insurance carrier changed in the previous three years? Has your insurance coverage ever been dropped by a carrier? If yes, why?
18. Please provide at least three references of public sector deferred compensation plans. If you are currently or have in the past provided services to the City, do not include the City as one of the three references.

**B. CLIENT SERVICE / QUALITY ASSURANCE**

1. Please describe the team that will deal directly with the City during the implementation. Indicate staff size, experience and turnover rates.
2. Please describe the team that will deal directly with the City on an ongoing basis. Who will have overall responsibility for the relationship? Who will have primary responsibility for the relationship on a day-to-day basis? Where are these professionals located? Provide a professional biography for each of these professionals and include any pending or recent (prior three years) U.S. Securities & Exchange Commission rules violations.
3. What is the average number of clients managed by the plan administrator for plans of this size?
4. How many of your employees work on defined contribution retirement plans? Provide breakdown by functional area.
5. What are your client retention statistics for each of the last three years?

- a. Provide the name of the firm, a contact and elaborate on the reasons for clients lost.
  - b. For those who left, what percentage left due to issues pertaining to services provided by your organization?
  - c. What is the average client relationship duration?
6. Describe your organization's commitment to quality and your philosophy/approach to client services.
  7. Describe your procedures for monitoring
    - a. Client satisfaction
    - b. Participant satisfaction
  8. Describe your service/timing standards.
  9. Do you guarantee service performance? If so, please describe.
  10. What checks and balances do you have in place to assure plan administration integrity and accuracy including participant account data?

**C. PLAN DOCUMENT CAPABILITIES**

1. Please describe your capabilities for providing the City with plan documents which addresses the ability to have employees make voluntary contributions. Please include any prototype deferred compensation plan documents which are representative of those which may be used for the City with your response.
2. What information must staff at the City be prepared to provide to support your plan document on a one-time basis and/or an ongoing basis?
3. Please confirm these plan documents are kept up to date with current tax and legislative regulations.

**D. RECORDKEEPING / ADMINISTRATION**

For all of the items listed below, please also note what the City's involvement would be in each of these processes.

1. Do you provide one main contact for the daily administrative needs of this plan?
2. What methods of data transmission are available? What experience do you have transmitting data between your system and Tylertech's MUNIS software (used by General City) and Microsoft's Great Plains software (used by Norwich Public Utilities).
3. Describe in detail how your system processes contributions.
4. Describe in detail, including timing, how your system processes withdrawals (i.e. in-service and hardship withdrawals).
5. Describe in detail, including timing, how your system processes:

- a. lump-sum distributions
  - b. systematic payments/installments
  - c. annuities
  - d. rollovers to another plan or an IRA
  - e. required minimum distributions
  - f. maximum contributions limits
6. What options are available to terminated/retired participants? Can funds be kept under the plan? Are there any minimum account balance requirements, age mandatory distributions? Are catch-up contributions allowed?
  7. Describe in detail how your system processes transfers/exchanges (including frequency/limitations). Are confirmations sent?
  8. Describe your process and methods of reallocation (percent and/or dollar).
  9. Can employer and employee contributions be tracked separately?
  10. Describe in detail your system's vesting capability. How many different schedules can your system support?
  11. Describe in detail how your system handles quarterly and annual Federal and State tax reporting. Do you provide tax form preparation and filing? How do your systems support tax reporting for participants who have moved outside of the United States?
  12. Describe in detail how you administer Qualified Domestic Relations Orders (QDROs).
  13. What checks and balances do you have in place to ensure transactional integrity?
  14. Do you provide an administration manual? What does the guide/manual include?
  15. Will you record keep non-proprietary investment vehicles, including annuities? Describe the process and systems used.
  16. Do you support loans against employees' deferred compensation balances? Describe the process and systems used.
  17. What other administrative services do you provide?

## **E. REPORTING**

1. Describe the standard reporting package that you would provide the City, as well as the medium(s) used (provide samples).
2. Describe any customized or ad hoc reporting capabilities including Internet capabilities for the Plan Sponsor.

3. Describe your standard participant-level statements and documents (provide samples).
4. Describe your customization capabilities for participant-level statements.
5. Can reports/statements be produced on other media? Please describe the standard timeframe for providing plan sponsor-level and participant-level reports after the reporting period ends?
6. Describe method of aggregating quarterly reports provided to City.

## **F. VOICE RESPONSE SYSTEM (VRS), INTERNET ACCESS AND CALL CENTER**

### **Voice Response System (VRS)**

1. Describe the services available through your voice response system.
2. How are transactions processed? How are transactions documented? Are confirmations sent?
3. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations). Please describe any anti-identity theft procedures or processes.
4. Describe the level of customization available within your VRS.
5. What are the standard hours of operation?
6. Are there any transactions that cannot be processed through the voice response system?
7. Is the menu easy for participants to use? Does it include "help" information? Please describe the structure in detail.
8. Can a participant elect to move from the VRS to a service representative? When and what services are available?
9. How often is the data on the VRS updated? How does the VRS interface with the recordkeeping system?

### **Internet Access**

1. Provide internet web site address.
2. Describe the account services and transaction capabilities available through your participant website.
3. How are website transactions processed and documented?
4. Are there any transactions that cannot be processed through your website?
5. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations). Please describe any anti-identity theft procedures or processes

6. Describe the level of customization available for clients using your internet services.
7. How often is the data on the website updated? How does the website interface with the recordkeeping system?
8. Please identify your website account access and transactional availability statistics (average availability per month as a percentage).
9. Does your website provide assistance with maximum contribution limits?

**Call Center**

1. Please identify your toll-free service center standards. Please include for each of the last three calendar quarters, statistics related to actual performance.
  - a. Average length of calls
  - b. Average response time
  - c. Percentage of calls requiring follow-up
  - d. Call abort rate
  - e. Percentage of incoming calls totally handled via VRS versus toll-free
  - f. Live service center representative assistance
  - g. Percentage of service requests handled via website versus call center and VRS
2. What training is provided to toll-free service center representatives before they are allowed to handle incoming calls?
3. Do you monitor and/or tape toll-free calls?
4. What are your case management procedures for calls that have service issues?
5. What information is available to toll-free service representatives to allow them to effectively answer participant questions?

Complete the following table describing your phone voice response system, phone customer service representatives, and your website (yes or no).

<b>PARTICIPANT REQUEST</b>	<b>VRS</b>	<b>Website</b>	<b>CSR</b>
Paperless Enrollment			
Paperless Change of Deferral Rate/Amount			
Paperless Change of Investment Selections			
Paperless Fund to Fund Transfers			
Paperless Quarterly Statement			
Automatic Rebalancing			
Account Balance			

<b>PARTICIPANT REQUEST</b>	<b>VRS</b>	<b>Website</b>	<b>CSR</b>
Account Balance by Fund			
Contribution History			
Withdrawal History			
Individual Rate of Return			
Investment Advice			
Prospectus Request			
Distributions			
Request Hardship withdrawals			
Access for hearing impaired			
Request fax or email of:			
Statements			
Forms			
Prospectuses			

## **G. COMMUNICATION AND EDUCATION**

1. Briefly describe your firm's background and experience in providing communication and education programs.
2. Identify the key elements provided as part of a standard communication and education program package included in your proposal.
3. Identify non-standard elements to a communication and education program you may provide for an additional charge.
4. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). If the program is tailored to a specific plan sponsor need, identify the critical issues to be determined in designing such a program.
5. Does your firm offer on-site registered representatives to work with participants throughout the City? If yes, what are the required credentials, licenses and training for the on-site registered representatives? Are communication staff and on-site representatives' employees or independent contractors? If independent contractors, please describe how the consistency, compliance and quality assurance are managed.
6. Will your company's registered representatives help participants with:
  - a. Determining asset allocation?
  - b. Selecting appropriate investment vehicles?
  - c. Determining maximum contribution limits?

- d. Understanding all the fees involved with your company's services and investment options?
  - e. Investment related questions?
  - f. General deferred compensation questions?
  - g. What educational tools are available to your on-site registered representatives to assist them in working with participants (i.e. asset allocation software)?
  - h. Does this program encapsulate the participants outside of this plan investments (i.e. spouses investments, CDs, individual held investments)?
7. Please explain how your on-site registered representatives are compensated and include all components of compensation in your response. If your on-site representatives receive any form of commission-based pay, provide a detailed description of how their commission is earned, and whether there is any financial incentive for representatives to recommend one product over another.
  8. Does your firm offer a dedicated telephone number for participants to directly speak with a registered representative who will help the participant with:
    - a. Determining asset allocation?
    - b. Selecting appropriate investment vehicles?
    - c. Understanding all the fees involved with your company's services and investment options?
    - d. Receiving answers to investment related questions?
    - e. Receiving answers to general deferred compensation questions?
  9. What are the required credentials, licenses and training for your phone representatives?
  10. What educational tools are available to your phone registered representatives to assist them in working with participants (i.e. asset allocation software)?
  11. Does your firm offer participants access to educational services on your website? If yes, please elaborate on the services and information. Please include in your response the following:
    - a. Determining asset allocation?
    - b. Selecting appropriate investment vehicles?
    - c. Understanding all the fees involved with your company's services and investment options?
    - d. Receiving answers to investment related questions?
    - e. Receiving answers to general deferred compensation questions?
  12. Can material be customized?
  13. Do you provide personnel resources as part of both the initial and on-going communication and education program?
  14. Do you provide communication and education material in a foreign language? If so, what language(s) and what material?
  15. Do you create all of your communication and education material in-house or through third-parties?
  16. Describe the process you use to help plan sponsors measure the effectiveness of employee education efforts.
  17. Does your organization provide any services (i.e., personal questionnaires, software) that would help individual participants with financial planning? Describe any electronic education tools you provide, both software-based and web-based.

18. Describe your position on providing investment advice to participants. What fiduciary responsibility do you assume if advice is provided?
19. If advice is offered, is it in-house or via a third party? Describe your process, mode and scope of advice.
20. If your firm provides investment advice at the participant level using an online advice provider, please identify the provider, and fill out the following table.

---

Provider:

---

Offered Since:

---

Total Number of Participants Using Provider

---

Average Rate of Utilization

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21. Describe education tools or programs designed to support IRA rollovers and/or retirement distributions.
22. Are all of your local representatives equipped with a laptop computer and a wireless internet card (yes or no)? If yes, how is the data on the laptop protected? If some or all of your representatives are equipped with laptops, please describe what services they can provide in person, using the following table.

	(Yes/ No)
Information available via laptop	
Participant balances (separated by fund)	
Contributions	
Transactions	
Fund level performance	
Total account performance	
Distribution initiation	
Retirement benefit projections	
Take home pay calculator	
Financial advice / required saving rate	
Portfolio optimization	
Enrollment into investment options	
Transfers between options	
Investment option or contribution changes	

23. Please describe how a meeting between a participant and one of your educational services representatives can be scheduled. Please be clear in describing points of contact and process.

## **H. IMPLEMENTATION**

1. Do you anticipate any problem with a November 1, 2015 “go live” date? What is the latest date the City must retain your firm to meet the November 1, 2015?
2. Please provide a timeline of your implementation process for a start-up plan.
3. What involvement will be required from the City staff during the implementation process? Please be mindful of the fact that the City can provide only very limited staff support to the process, and that Proposer involvement will be substantial.
4. Do you provide a dedicated implementation team?
5. Will you offer any educational opportunities or other incentives to Plan participants and retirees to rollover their current deferred compensation balances to your plan?
6. Is the Voice Response System available during the implementation phase to provide the following:
  - a. Plan information/provisions
  - b. Information about the new investments
  - c. Ability to discuss the new plan with customer service
  - d. Make investment choices
7. Has your firm been subject to any past or pending litigation relating to your recordkeeping/administrative services? If yes, please explain.
8. Has your firm been subject to any past or pending litigation relating to your fee structure? If yes, please explain.

## **I. SYSTEM CAPABILITIES AND HARDWARE**

1. Describe the hardware platform and software system you use to record keep and administer defined contribution plans.
2. Was the software developed internally, leased, or bought from another provider? Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, client needs, etc.?
3. How often is the system upgraded?
4. What system enhancements do you have planned over the next three years for:
  - a. Core recordkeeping system
  - b. Service technology
5. Describe your documented disaster recovery plan. How often do you test your recovery system?
6. Describe your maintenance and backup procedures including daily backups, retention timetable and off-site backup storage approach. Where are your off- site backup facilities located?
7. Describe the method of maintaining plan sponsor and participant history on the system.

8. Describe the valuation methods offered by your system.
9. Are internal controls of your recordkeeping system audited by an independent accounting firm on an annual or more frequent basis? If so, please provide a summary of the adverse findings.
10. Does the system allow for plan sponsor customization/limits such as:
  - a. transfer frequency
  - b. minimum/maximum contribution percentages
  - c. withdrawal frequency
  - d. investment election changes
  - e. other
11. Describe your system's maximum limits with regards to the following:
  - a. investment funds
  - b. money types
  - c. transfers
  - d. other
12. Please provide ongoing transaction layouts if specific layouts are required.

**J. REGULATORY COMPLIANCE**

1. Does your firm provide the following services and are these services included in your fee:
  - a. Determination of maximum contribution limits
  - b. Age 70 ½ notification
  - c. Calculation of required minimum distribution for the deferred compensation plans
2. Describe how your firm handles compliance and reporting issues related to rollovers into and out of the plan.
3. Will your firm review QDROs to determine if they are qualified? Will your firm provide a model QDRO form?
4. Are your firm's systems and procedures audited by an independent certified public accountant? If yes, when was the last audit? Was a qualified opinion received? Please provide a copy of the auditor's Letter to Management, if any.
5. Do you have or can you make available a recent SSAE 16 auditor's report on internal controls (Type II preferred) (Yes / No)? If yes, please provide the most recent copy of the report.
6. Your firm will be responsible for assuming fiduciary responsibility for the following:
  - a. Recordkeeping
  - b. QDRO and hardship distributions
  - c. Investment advice at the participant level

## K. INVESTMENTS

1. Discuss your organization's ability to provide investment vehicles for both defined contribution and non-qualified tax-deferred compensation plans. Be sure to disclose if you are providing proprietary, non-proprietary, or a combination of both investment management services.
2. Please provide a complete list of all the investment options available through your proprietary and/or alliance networks (in Microsoft Excel format). If you do not have a set menu of investment options, but offer an open architecture platform, include the recommended investment options you would provide the City to choose from. For each investment option, include:
  - a. investment option name,
  - b. objective,
  - c. type (m = mutual fund, c = commingled fund, sa = separate account),
  - d. ticker symbol if applicable,
  - e. inception date,
  - f. portfolio manager,
  - g. manager tenure,
  - h. assets (\$ mil.),
  - i. a detailed fee itemization of the prospectus net expense ratio or equivalent (i.e. investment management, 12b-1, revenue sharing, Sub-TA, etc.),
  - j. all additional investment/asset related fees (i.e. frontload, backload, deferred sales charge, redemption, transfer, administrative, mortality, etc.),
  - k. comparative index(s) used by the manager,
  - l. total return for 1 month, 3 month and year to date periods ending on the last calendar quarter,
  - m. annualized total return and standard deviation for the 1, 3, 5, 10 year and since inception periods ending on the last calendar quarter,
  - n. calendar year return for each of the last ten years, and
  - o. withdrawal provisions including restrictions on transfers.
3. As necessary, specify whether access to an investment option(s) requires the use of multiple recordkeeping platforms.
  - a. Do you have the ability to offer some or all of your investment options as annuity products? If so, what is required and what restrictions exist?
  - b. Do you offer target date retirement and risk-based/life-style/asset allocation investment options? Are they also available as annuity products?
4. For each risk-based/life-style/asset allocation investment option, provide the asset allocation percentages of cash, stocks, bonds, and other as of the last calendar quarter. In addition, provide a further breakdown of each asset class by percentage.
5. For each target date retirement investment option, provide the asset allocation percentages of cash, stocks, bonds, and other as of the last calendar quarter. In addition, provide a further breakdown of each asset class by percentage. Provide the glide path as well as an explanation of its derivation.
6. For each income investment option, provide the average maturity, average duration, average yield, and average quality as of the last calendar quarter.
7. Can your firm administer customized target date retirement or risk-based/life-style/asset allocation portfolios comprised of the underlying funds available through the plan investment menu (yes or no)? Describe any additional costs associated with administering customized portfolios.

8. Stable Value / Fixed Account: Please describe in detail each option available incorporating the following when applicable:
  - a. For guaranteed interest, describe the current and minimum interest rate guarantees, how interest is credited, and the frequency of rate changes. Furthermore, provide the make-up of the underlying portfolio including asset type, grade and percentage breakdown.
  - b. For pooled, provide the structure of the portfolio by sector and maturity distribution. Also provide the credit quality, credit quality minimum guarantee, average quality, average maturity, modified duration, liquidity percentage, and yield to maturity.
  - c. Address market value adjustments in general and in the event a participant wants to terminate the investment or if the City elects to terminate its relationship and move to a new provider. Please explain the calculation. Does the market value adjustment expire after a certain time period?
  - d. Address automatic renewals. If they exist, can they be eliminated?
  - e. Describe, in detail, all fees to include any associated charges with surrendering the account prior to the end of a specified time period, etc.
  - f. Describe any restrictions or limitations associated with exchanging monies between accounts, if applicable. Explain any fees associated with exchanging monies between accounts.
9. Does your organization offer a self-directed brokerage window as a potential investment option? Please fully describe the service and fees associated with the administration of the brokerage accounts.
10. Does your organization offer a “managed account” feature as a potential investment option? Please fully describe the service and fees associated with the administration of the managed account.
11. Provide a copy of your written investment service agreement / contract. This should fully disclose fiduciary status, responsibilities, services, compensation, etc. If applicable, provide a copy of your contract for the group annuity.

#### **L. FEE PROPOSAL**

1. Please attach a schedule of all expenses covering each of the services and activities identified on the following listing. Also, please identify if the expense is:
  - a. one time or on-going
  - b. performance adjustable charge
  - c. breakpoint impacted
  - d. discount oriented
  - e. participant paid (direct or account adjustment)
  - f. plan sponsor paid (billed and billing frequency)
  - g. guaranteed (and length of guarantee)
  - h. absorbed in determining daily investment share/unit value
2. In addition to the expense schedule, please respond specifically to the following:
  - a. What are the start-up plan and termination costs?

- b. For how long will you guarantee specific expenses?
- c. What are the factors you consider in determining future increases and when they are to occur?
- d. Are there additional charges made at the time of plan changes we initiate or legislated or regulated changes?
- e. Describe what plan consulting services are included and related hourly charges and out- of-pocket expenses.
- f. Please provide a proposal for ongoing education services provided to the plan. This proposal should represent the level of education services to be provided to The City of Norwich at the initial enrollment as well as on an ongoing basis.
  - i. The fee for education services should be quoted on the basis of the cost per group meeting and the cost per in-person employee interaction. Please recommend the number of representatives you believe will be required to adequately service The City of Norwich.
  - ii. Provide costs as well as specifications and/or qualifications associated with representative travel. You should be prepared to discuss a proposal for the number of educational representatives you will make available to The City of Norwich.
  - iii. Include a full description of how these representatives will be compensated.
  - iv. Include an estimation of the number of in-person and group meetings that each service representative will conduct each year.
  - v. Please note the City does not plan to pay for educational services out of the general budget .
  - vi. In addition to the expense schedule, please identify any other service or activity not covered on the "Service Activity" listing, i.e., postage, handling, supplies, servicing commissions, etc. Please be specific.

**EXPENSE SCHEDULE**

Use the listing of Services and/or Activities on the following pages to complete the chart below. Identify all assumptions. The list is all inclusive - please disregard those services/activities that are not applicable. (A sample expense chart is provided below.)

Expense	Service/Activity Covered	Comments

Assumptions:

SAMPLE EXPENSE SCHEDULE LAYOUT

Expense	Service/Activity Covered	Comments
\$_____ Annual Per Participant Fee	B1, B2, B3, B4, B5, B9, B14, E1 through E5, F1a through F1o, F1q through F1u, F2, F3 a through c, F3f, F3g, A1, A3, A6, A8, A20, A11, A12 (A12 & B9 annually)	On-going, Two-Year guarantee
.00% Asset Fee	C1, C1, D2, D3, G1, G2, G3, G5, G6	On-going, absorbed in determining daily investment values

SERVICE/ACTIVITY

- A. Employee Communication & Education
  - 1. Generic enrollment material
  - 2. Customized enrollment material
  - 3. Awareness material (posters, tents, etc.)
  - 4. Audio tapes
  - 5. Video tapes
  - 6. Generic periodic newsletter
  - 7. Customized periodic newsletter
  - 8. Retirement planning tools
  - 9. Pre-retirement planning tools
  - 10. Investment education materials
  - 11. Initial Enrollment/Education Meeting
  - 12. On-Going Enrollment/Education Meetings (frequency)
  - 13. Other (be specific)
  
- B. Administration
  - 1. New enrollments
  - 2. Eligibility tracking
  - 3. Beneficiary elections
  - 4. Administration manual
  - 5. Administration manual updates
  - 6. Consulting
    - a. New plans, acquisitions
    - b. Existing plan changes
    - c. Plan divestitures
  - 7. Provider E-mail
  - 8. On-line access
  - 9. On-site meetings (& related frequency)
  - 10. Individually designed plan document
  - 11. Prototype plan document

12. Camera-ready SPD
13. SPD copies
14. Wire fees
15. Other (be specific)

C. Custodial Services

1. Asset-based fees
2. Portfolio-based fees
3. Transaction-based fees
4. Other (be specific)

D. Investment Services

1. Communication with external managers
2. Investment fees for internal stable value investments
3. Investment fees for internal variable return investments
4. Brokerage cost on company stock activity
5. Self-directed brokerage option
6. Personalized participant investment advice
7. Front-end loads
8. Deferred sales charges
9. Surrender/Withdrawal charges
10. Back-end loads
11. 12b-1
12. Other (be specific)

E. Voice Response/800 Line Services/Participant Access

1. Information access via voice response
2. Transaction processing via voice response
3. Information access via service representative
4. Transaction processing via service representative
5. Information access via PC
6. Transaction processing via PC
7. Time or processing charges
8. PIN issuance, reissue, changes
9. Customized script
10. Other (be specific)

F. Recordkeeping

1. Processing
  - a) Additions
  - b) Corrections
  - c) Reinstatements
  - d) Participant level inter-investment exchanges
  - e) Plan level inter-investment exchanges
  - f) Contribution remittances
  - g) Multiple payroll locations
  - h) Contribution rate change monitoring
  - i) Contribution frequency
  - j) Matching contribution calculations
  - k) Allocation changes
  - l) Withdrawals

- m) Loan processing
- n) Loan repayment
- o) Loan administration
- p) Periodic distributions
- q) Annuities
- r) Rollovers
- s) Check payments
- t) Direct deposit
- u) Other (be specific)

2. Participant Statements

- a) Quarterly statements
- b) Confirmations
- c) Tax statements
- d) Loan statements
- e) Confirmation of direct deposit
- f) Other (be specific)

3. Plan Level Reports

- a) Summary activity statistics
- b) Performance standards
- c) Form 5500 information
- d) Signature-ready Form 5500
- e) 11-K
- f) S-8
- g) Reporting to IRS
- h) System queries
- i) Ad hoc reports
- j) Special reports
- k) Other (be specific)

4. Data Preparation

- a) Compliance testing
- b) Discrimination testing
- c) Proxy voting
- d) Proxy tabulation
- e) Other (be specific)

5. Systems Changes

- a) For plan changes
- b) For report changes
- c) Other (be specific)

G. Termination

- 1. Transaction
- 2. Liquidation
- 3. Market Value
- 4. Mortality
- 5. Risk
- 6. Other (be specific)

9. REFERENCES

Proposer shall submit as a part of the proposal package, four business references with name of the business, address, contact person, and telephone number that have utilized the services being proposed to the City.

1. Business Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Contact: \_\_\_\_\_ Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail: \_\_\_\_\_

2. Business Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Contact: \_\_\_\_\_ Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail: \_\_\_\_\_

3. Business Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Contact: \_\_\_\_\_ Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail: \_\_\_\_\_

4. Business Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Contact: \_\_\_\_\_ Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail: \_\_\_\_\_