



## Legislation Details (With Text)

<b>File #:</b>	16-5341	<b>Version:</b>	1	<b>Name:</b>	401(a) Defined Contribution and 457(b) Deferred Compensation Plan Provider Services
<b>Type:</b>	Resolution	<b>Status:</b>		<b>Status:</b>	Adopted
<b>File created:</b>	8/31/2016	<b>In control:</b>		<b>In control:</b>	City Commission
<b>On agenda:</b>	9/28/2016	<b>Final action:</b>		<b>Final action:</b>	9/28/2016
<b>Enactment date:</b>	9/28/2016	<b>Enactment #:</b>		<b>Enactment #:</b>	2016-220

**Title:** A Resolution accepting the recommendation of the Chief Procurement Officer to award the Recordkeeping and Plan Administration contract for the 401(a) Defined Contribution and 457(b) Deferred Compensation Plans to Nationwide Retirement Solutions, Inc., the most responsive-responsible proposer, in the amount of 0.06 percent annually on all plan assets, for a five (5) year period with options to renew, pursuant to Section 2-828 of the Procurement Code entitled "Contract Award" and Request for Proposals (RFP) 2016.03VF; should negotiations fail with the most responsive-responsible proposer, negotiations shall commence with next most responsive-responsible proposer, until an agreement and contract amount acceptable to the City has been reached.

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** 1. Signed Resolution 2016-220, 2. PDF Signed Agenda Memo - 401 457 Consolidation - Nationwide 9-28-16 PLK, 3. Draft Resolution 401 457 Consolidation - Nationwide - 9-28-16, 4. Signed Agenda Memo - 401 457 Consolidation - Nationwide 9-13-16, 5. Draft Resolution 401 457 Consolidation - Nationwide - 9-13-16, 6. Evaluation Results, 7. RFP Response, 8. Consultant's Recommendation

Date	Ver.	Action By	Action	Result
9/28/2016	1	City Commission	adopted by Resolution Number	Pass
9/13/2016	1	City Commission	Withdrawn	

A Resolution accepting the recommendation of the Chief Procurement Officer to award the Recordkeeping and Plan Administration contract for the 401(a) Defined Contribution and 457(b) Deferred Compensation Plans to Nationwide Retirement Solutions, Inc., the most responsive-responsible proposer, in the amount of 0.06 percent annually on all plan assets, for a five (5) year period with options to renew, pursuant to Section 2-828 of the Procurement Code entitled "Contract Award" and Request for Proposals (RFP) 2016.03VF; should negotiations fail with the most responsive-responsible proposer, negotiations shall commence with next most responsive-responsible proposer, until an agreement and contract amount acceptable to the City has been reached.

The Retirement Committee, as formed by the City, is tasked with the responsibility to ensure that the plans are being administered under well documented defined contribution plan "best practices" relating to fees, investments, participant education and administration on behalf of eligible employees and retired participants. All provider services as listed shall be reviewed independently as component services for transparency and associated costs. The City previously contracted with The Bogdahn Group to provide technical assistance on this project as well as ongoing fiduciary governance and investment consulting. They are contracted for a flat, annual fee of \$35,000 or approximately 0.055% based on current plan assets.

The purpose of this RFP is to solicit proposals from qualified firms to provide component services for 401(a) Defined Contribution and 457(b) Deferred Compensation Plan Administration and Recordkeeping. The professional services solicited may include, but are not limited to, the following bundled administrative services: custodial trustee, administrative, recordkeeping, participant education, enrollment and regulatory support for the 457(b) and 401(a) plans.

On March 16, 2016, the Procurement Division of Finance formally advertised, issued, and distributed 401(a) Defined Contribution and 457(b) Deferred Compensation Plan Provider Services, RFP 2016.03VF. On March 23, 2016, a non-mandatory pre-proposal conference was held with nine (9) prospective proposers in attendance of the sixteen (16) prospective proposers who obtained the RFP package from the Procurement Division. On April 13, 2016, ten (10) proposals were received in response to the 401(a) Defined Contribution and 457(b) Deferred Compensation Plan Provider Services, RFP 2016.03VF from: Great-West Life & Annuity Insurance

Company (Empower Retirement), ICMA Retirement Corporation, Lincoln Retirement Services Corporation LLC, Massachusetts Mutual Life Insurance Company (MassMutual), Nationwide Retirement Solutions, Inc., Northwest Plan Services, Inc., Prudential Retirement Insurance and Annuity Company, TIAA (Teachers Insurance and Annuity Association of America), VALIC (The Variable Annuity Life Insurance Company), and Voya Retirement Insurance and Annuity Co.

On June 28, 2016, the Evaluation Committee convened to evaluate the nine (9) responsive proposals, which resulted in four (4) firms being short-listed as follows: Great-West Life & Annuity Insurance Company (Empower Retirement), Lincoln Retirement Services Corporation LLC, Massachusetts Mutual Life Insurance Company (MassMutual) and Nationwide Retirement Solutions, Inc. On August 16, 2016, the Evaluation Committee requested oral presentations of the short-listed firms. After oral presentations and a question and answer session with each firm, the Evaluation Committee ranked and recommended the four (4) firms deemed to be the most highly qualified to perform the required services: Nationwide Retirement Solutions, Inc. (top-ranked), Massachusetts Mutual Life Insurance Company (MassMutual) (second ranked), Great-West Life & Annuity Insurance Company (Empower Retirement) (third ranked), and Lincoln Retirement Services Corporation LLC (fourth ranked). The Evaluation Committee recommended that the City award and negotiate a contract with Nationwide Retirement Solutions, Inc. (one of the current providers), in the amount of 0.06% on all plan assets which will save participants over \$200,000 annually in explicit recordkeeping fees. The 0.06% fee equates to approximately \$37,880 for year 1 based on total plan assets of \$63,133,900 and will fluctuate each subsequent year based on growth of plan assets. Stated fees to be collected from participant accounts per industry standard and in line with current City practices.

**Participant Costs (known and anticipated):**

<b>Plan-Service Component</b>	<b>Provider</b>	<b>Participant Fee</b>
Fiduciary Governance & Investment Consulting	The Bogdahn Group	0.055%
Record Keeping, Administration & Education	Nationwide	0.060%
Investment Expense	Plan Investment Elections (to be determined in final project phase)	Varies based on individual investment selection (anticipated expense ratio range for institutional share class election options: 5 to 65 basis points)

The Chief Procurement Officer recommends accepting the Evaluation Committee's recommendation to award the 401(a) Defined Contribution and 457(b) Deferred Compensation Plan Provider Services contract to Nationwide Retirement Solutions, Inc.

The City's consultant, The Bogdahn Group, concurs with the recommendation of the Evaluation Committee to award the 401(a) Defined Contribution and 457(b) Deferred Compensation Plan Provider Services contract to Nationwide Retirement Solutions, Inc.