

City of Appleton

Request for Proposal (RFP) for

457(b) Deferred Compensation Plan Advisory Services

Introduction

The City of Appleton is in the process of reviewing the City's deferred compensation plan. The plan currently has approximately \$50 million in plan assets and 700 participants. The current recordkeeping provider is Nationwide Retirement Solutions. The City desires to contract with a retirement plan advisor to review the City's current 457(b) deferred compensation plan including reviewing employee investment options, evaluating the investment fees being incurred, suggesting potential options for the plan, assisting with an RFP process for 457(b) plan providers if deemed appropriate, and assisting with possible plan transition. The chosen consultant would also be expected to act in a continuing fiduciary capacity to monitor the program and provide City employees with education and advice related to their 457(b) plan options.

SUBMITTAL INSTRUCTIONS

All responses to this RFP shall be delivered to:

Sandra Behnke, Human Resources Director
City of Appleton
Human Resources Department
100 N. Appleton Street
Appleton, WI 54911
(920) 832-6426
Sandy.Behnke@Appleton.org

Please submit four (4) hard copies of your proposal to the above contact by 4:00 p.m. local time on March 11, 2016. Packages received after this date and time may be deemed non-responsive and returned.

Please submit the Fee Schedule (only one copy required) in a separate, sealed envelope marked "Fee Schedule."

QUESTIONS

Any and all questions related to this RFP shall be directed to individual identified above.

General Proposal Requirements

To facilitate uniform evaluation between proposals, please submit your proposal in the following labeled sections:

1. LETTER OF TRANSMITTAL
2. MINIMUM FIRM REQUIREMENTS
3. QUALIFICATIONS AND EXPERIENCE OF THE FIRM
4. QUALIFICATIONS/EXPERIENCE OF KEY PERSONNEL
5. FIRM'S APPROACH TO PROVIDING SERVICES AND SUPPORT
6. REFERENCES
7. FEE SCHEDULE (Separate, sealed envelope)

The required content of each section is described below:

1. LETTER OF TRANSMITTAL

Each proposal must be accompanied by a letter of transmittal not exceeding two pages, which summarizes key points of the response to this Request for Proposals and which is signed by an officer of the firm who is responsible for committing the firm's resources.

Your letter of transmittal shall include the following:

- Name of the firm submitting the proposal,
- Name and title of the individual with responsibility for this response and to whom matters regarding this RFP should be directed,
- Mailing address,
- Telephone number, e-mail address, and fax number of firm's primary contact,
- Indication of the firm's size and structure
- Brief narrative of the firm's qualifications to provide retirement plan investment consultant services to City.

2. MINIMUM FIRM REQUIREMENTS

Any firm interested in serving as a Section 457 Deferred Compensation plan investment consultant to the City of Appleton must meet the following criteria:

- A. The firm must not derive compensation from, or be affiliated with, any organization that provides brokerage, insurance, investment management or any other service that, in the opinion of the City, constitutes a conflict of interest. The City retains sole discretion to determine whether actual or potential conflicts of interest exist related to a proposer.

- B. The firm must be registered as an investment adviser with the Securities and Exchange Commission.
- C. The firm must contractually agree that it is a fiduciary and assumes the responsibilities of a fiduciary relative to the investment consulting services performed.
- D. The firm's assigned investment consultants must have substantial experience advising entities regarding Section 457, 401K or other retirement plans.
- E. The firm must not have any actual or potential conflicts of interest with, or adversarial litigation against the City or any of its officers or employees. The City retains sole discretion to determine whether actual or potential conflicts of interest exist related to a proposer.

3. QUALIFICATIONS AND EXPERIENCE OF THE FIRM

The City requires that each firm responding to this proposal identify its qualifications as they relate to providing the services outlined in the introduction. The response shall include:

- A. The number of years the firm has been in business as well as number of years the firm has provided retirement plan investment consultant services;
- B. A description of the capabilities, experience and expertise of the firm as a whole in the following aspects of retirement plans:
 - 1. Continuing and periodic investment review services,
 - 2. Provision of other retirement plan consulting services your firm provides,
 - 3. Number of retirement plans your firm has provided services for and the asset size of those plans,
 - 4. Involvement in conducting RFP's on behalf of clients for retirement plan products
- C. A brief description of similar work performed for other governmental entities;
- D. A description of any actions or investigations by regulatory bodies as follows:
 - 1. A description of any disciplinary action, administrative proceedings or malpractice claim or other like proceeding against the firm or any of its employees while employed by the firm, whether current, pending, or threatened, as well as any such action, proceeding or claim occurring during the past five (5) years; and
 - 2. A description (including specific allegations, findings, determinations – both preliminary and final, and settlements) of any investment consulting services provided to a client of the firm in the last five (5) years that has been subject to investigation, preliminary determination, adverse determination, formal information request or other official

inquiry by the Internal Revenue Service, Securities and Exchange Commission, or other official oversight agency.

- E. The firm must submit copies of its most recent Securities and Exchange Commission Form ADV, Parts I and II, along with the "deficiency letter" related to its most recent SEC inspection.
- F. If regulated by FINRA, the firm must submit copies of its most recent Financial Industry Regulatory Authority (FINRA) audit/inspection along with the "deficiency letter" related to said audit/inspection.

4. QUALIFICATIONS/EXPERIENCE OF KEY PERSONNEL

Provide qualifications of the key personnel assigned to provide the Section 457 Deferred Compensation investment consultant services requested. The information provided must specifically include:

- A. The name, title, years of experience, office location, area of specialty (if applicable) of the investment consultant who will be designated as the "contact person" for the firm's proposal and who will be the investment consultant primarily responsible for ensuring the proper performance of the services to be rendered to the City;
- B. An individual resume, name, title, years of experience, office location, area of specialty (if applicable) and description of relevant experience and expertise of each investment consultant expected to perform services for the City;

The firm shall provide written confirmation (on its letterhead) signed by an officer of the firm that the investment consultant(s) identified in the proposal is/are properly registered/licensed in the State of Wisconsin to provide the requested services.

5. FIRM'S APPROACH TO PROVIDING SERVICES AND SUPPORT

State how the firm will approach providing services outlined in this solicitation and how it will schedule key personnel. Describe the proposed methodology to perform the work described in the introduction. Provide work samples including, but not limited to, investment performance review procedures, sample reports, etc. Response shall include:

- A. Understanding of Requirements. Please include a discussion demonstrating an understanding of the services and support required by this request for proposal;
- B. Services and Support.
 - 1. Provide a brief summary of the firm's operating philosophy.

2. Provide a brief statement of how the firm intends to fulfill requirements outlined in this request for proposals.
3. Provide an outline of services provided during plan transition/conversion from one provider to another.

C. Participant Education and Communication.

1. Provide your approach to initiating and maintaining contact with new and existing employees
2. Provide your approach to individual meetings with plan participants
3. Provide your specific education strategy for City employees

6. REFERENCES

Each proposer must include a list of at least three (3) organizations, which can be used as references for work performed in the area of the service being requested. Selected organizations may be contacted to determine the quality of work performed and personnel assigned to the project. Please include the following information for each client reference:

- A. Name of the organization
- B. Initial dates service started
- C. List of services provided
- D. Responsible official or contact person
- E. Address, telephone number and e-mail address

7. FEE SCHEDULE

Each proposer must complete and submit a Fee Schedule. Fees shall include ALL costs associated with performance of the contract including travel and out-of-pocket expenses. Where applicable, fees should be identified as one-time, annual, variable or optional, and when amounts would be due and payable.

Terms and Conditions

INSURANCE AND INDEMNIFICATION

Prior to commencement of work under the anticipated contract, the successful proposer shall be required to provide a Certificate of Insurance meeting the minimum requirements on Exhibit C. In addition, the contract entered into with the successful proposer shall contain the following language:

For good and valuable consideration, PROPOSER agrees to indemnify, defend and hold harmless the City of Appleton (city) and its officers, officials, employees and agents from and against any and all third party liability, loss, damage, expenses, costs, including attorney's fees, arising out of the activities performed as described herein, caused in whole or in part by any negligent act or omission of PROPOSER, anyone directly or indirectly employed by PROPOSER or anyone whose acts PROPOSER may be liable, except where caused by the sole negligence or willful misconduct of the city.

TERM OF ENGAGEMENT AND TERMINATION

The anticipated contract shall commence as soon as practicable following award, continuing for an initial term of 3 years, and may be extended for 1 year terms by mutual, written agreement thereafter.

The contract may be terminated by either party upon ninety (90) days written notice. The consultant shall deliver, and the City shall pay for any required work up to the date of termination.

PROPOSAL COSTS

All costs associated with the preparation and submittal of proposals shall be borne by the Proposer.

CONTRACT AWARD AND NEGOTIATION

The City reserves the right to award the anticipated contract to the firm believed to be in its best interest, or to not award a contract if deemed appropriate. Lowest cost does not necessarily ensure award. The City reserves the right to negotiate specific terms and conditions of the resulting agreement with the successful firm.

Qualifications & Experience of the Firm	Qualifications & Experience of Key Personnel	Demonstrates Understanding of services & support plan required	Firms					Local Business Advantage	References	Grand Total		
			Quality of service & support plan offered	Participant Education & Communication on plans	Approach to Providing Services & Support	Total-1	Total-2			Total-3		
25	25	25	25	25	25	75	15	10	150	150	150	150
The Appleton Group M3 Financial The Bogdahn Group Sageview Graystone Consulting Frands Investment Counsel	10	25	15	20	20	60	10	0	90	134	95	319
	20	25	10	0	20	20	15	0	80	119	78	277
	25	25	25	25	25	75	15	0	140	137	146	423
	25	25	25	25	25	75	5	0	130	131	136	397
	20	10	20	15	20	55	10	0	95	136	135	366
15	10	25	20	25	25	70	10	0	105	138	150	393

