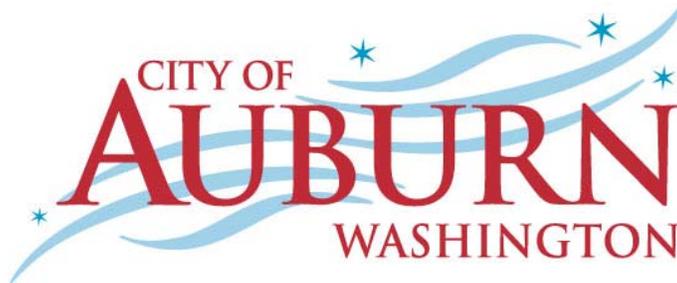


REQUEST FOR PROPOSAL



CITY OF AUBURN
Department of Human Resources and Risk Management

457(b) Plan Provider

Release Date: May 6, 2016

Proposals Due: June 10, 2016 no later than 5:00 p.m.

City of Auburn

25 West Main St • Auburn, Washington 98001-4998

Phone: (253) 931-3141

www.auburnwa.gov



REQUEST FOR PROPOSAL

457(b) PLAN PROVIDER

The City of Auburn, Washington (the “City”) hereby invites qualified firms to submit proposals for being one of its two 457(b) Plan providers.

Proposal packets may be obtained beginning May 6, 2016, at the Office of the City Clerk, 25 West Main Street, Auburn, Washington 98001-4998, (253) 931-3039. Proposal documents may also be downloaded from the web at:

www.auburnwa.gov/doing_business/rfb_rfp.htm

The original and seven (7) complete sets of the proposal package, along with one digital copy of the proposal, are to be submitted to the Office of the City Clerk at 25 West Main Street, Auburn, WA 98001-4998. The proposal must be enclosed in a sealed envelope with the proposer’s name on the outside and clearly marked:

PROPOSAL: 457(b) PLAN PROVIDER

DUE DATE: June 10, 2016, no later than 5:00 p.m.

City of Auburn

Publish: Friday May 6, 2016 - Seattle Daily Journal and Seattle Times

1.0 GENERAL INFORMATION

1.1 Purpose and Background

The City maintains an IRS Code 457 Deferred Compensation Plan, presently utilizing five providers of plan administration services and investments. The City is looking to reduce the providers to a maximum of two Contractors in an attempt to reduce overall investment fees charged to participants, increase investment options by including a “Roth” post tax option, and strengthen the City’s portfolio strategy for participants. The ability to offer loans through the 457 Deferred Compensation Plan has not been selected. Therefore, there are no participants with loans and there are no loan assets. Additional key statistics:

Eligible Employees:	425
Active (contributing) Participants:	158
Total Contributions per month:	\$121,196
Estimated Total Assets:	\$15,000,000

1.2 Origin of the 457(b) Plan

The City of Auburn’s 457(b) Plan was established in 1981 to assist City employees in providing for their own retirement by allowing them to defer a portion of their compensation into the Plan. To this point in time, the City has allowed participants to select between five service providers.

1.3 Deferred Compensation Committee

The City’s Deferred Compensation Committee (DCC) was established by Auburn’s City Council to act as the Plan Administrator.

1.4 General 457(b) Plan Information

- Frequency that the City processes and provides payroll checks – twice monthly
- Frequency contributions will be made to the Plan – twice per month
- Payroll systems used by the City – Eden

1.5 Questions and Comments

The City encourages all providers to submit the most comprehensive and competitive proposal possible. Proposers are required to carefully review this RFP for defects and other issues.

Any questions or comments regarding this proposal are to be submitted in writing to Rob Roscoe at City of Auburn no later than May 20, 2016, at 5:00 p.m., PST.
Address all questions or comments to:

Rob Roscoe
City of Auburn
25 West Main St
Auburn, WA 98001

Questions or comments may be faxed to Rob Roscoe at (253) 288-4305 or emailed to roscoe@auburnwa.gov. The subject line of the correspondence, fax or email must read: "Questions: 457(b) Plan Provider."

Verbal requests for information will not be accepted. Questions or requests for clarification directed to any other employee or elected official of the City other than Rob Roscoe may be grounds for disqualification from the process. All questions will be compiled and distributed to all prospective proposers, along with the response(s).

The City assumes no responsibility for any interpretation or representation made by any of its officers, agents or employees unless interpretations or representations are incorporated in a written amendment to the RFP.

2.0 RULES GOVERNING PROPOSAL SUBMISSION

2.1 Examination of Proposals

Proposers should carefully examine the entire RFP and any addenda issued thereto, and all related materials and data referenced in the RFP.

2.2 Proposal Acceptance Period

Award of this proposal is anticipated to be announced within 60 calendar days of the submission date.

2.3 Confidentiality

All proposals and materials submitted under this RFP shall be considered public documents at the time of the proposal deadline and may be reviewed by appointment by anyone requesting to do. If a Contractor considers any portion of the proposal to be protected under Washington State law, the Contractor shall clearly identify each such portion with words such as "CONFIDENTIAL," "PROPRIETARY," or "BUSINESS SECRET." If a request is made for disclosure of such portion, the City will notify the Contractor of the request and allow the Contractor ten (10) calendar days to obtain an injunction preventing the City from disclosing the documents. If the Contractor fails or neglects to take such action within said period, the City will release the portion of the proposal deemed subject to disclosure. By submitting a proposal, the Contractor assents to the procedure outlined in this paragraph and shall have no claim against the City on account of actions taken under such procedure.

2.4 Signature Requirements

All proposals must be signed. A proposal may be signed by: an officer or other agent of a corporate Contractor, if authorized to sign contracts on its behalf; a member of a partnership; an owner of a privately-owned Contractor; or other agent if properly authorized by a power of attorney or equivalent document. The name and title of the individual(s) signing the proposal must be clearly shown immediately below the signature.

2.5 Proposal Submission

ONE ORIGINAL and seven copies of the complete proposal package plus one disc or one USB/flash drive are to be submitted no later than 5:00 p.m. local time on June 10, 2016, to:

City of Auburn
City Clerk's Office
25 West Main St
Auburn, WA 98001

Proposals shall be completely sealed in an envelope clearly marked with the company name. Neither the City nor their elected officers, agents, or employees shall be responsible for the premature opening of or failure to open any proposal not properly addressed and identified.

Submittal of a proposal(s) via fax, electronic media, or email is not acceptable.

2.6 Licenses and Certifications

All costs for any licenses and permits shall be borne by the Contractor and not be charged separately to the City. The Contractors selected as a result of this RFP must be authorized to do business in the State of Washington prior to final execution of the plan.

Information on obtaining authorization to do business in the State of Washington should be addressed to the Washington State Department of Revenue at 1-800-647-7706. The laws of the State of Washington shall govern the plan document executed between the selected Contractors and the City, and any interpretations or constructions.

2.7 Oral Change/Interpretation

No oral change or interpretation of any provision contained in this RFP is valid, whether issued at the pre-proposal conference or otherwise. Written addenda will be issued when changes, clarifications, or amendments to proposal documents are deemed necessary.

2.8 Modification of Proposals

Modifications will be accepted by the City and binding upon the responding firm, where the modification:

- Is received at the place designated for submission of RFP responses prior to the deadline.
- Is sealed in an envelope clearly stating “Modification: 457(b) Plan Provider” and the name of the responding firm.
- Is signed by the same individual who signed the original submittal.

2.9 Late Submissions

PROPOSALS NOT PHYSICALLY RECEIVED PRIOR TO THE DATE AND TIME SPECIFIED IN THE RFP WILL NOT BE CONSIDERED AND WILL BE RETURNED UNOPENED AFTER RECOMMENDATION OF AWARD.

2.10 Withdrawal of Submittal

A responding firm may, upon written notice, withdraw its submittal at any time.

2.11 Acceptance – Rejection of Submittal

The City may, if in the best interest of the City, reject any or all proposals and may waive irregularities, other than the requirements for timeliness and manual signature, if the irregularities do not affect the competitive advantage of any Proposer.

2.12 Choice of Law and Jurisdiction

The laws of the State of Washington shall govern this RFP, and any legal action brought thereon shall be filed in the King County District Court.

2.13 Conflicts of Interests

No member of the City Council of the City of Auburn or other officer, employee or agent of the City who exercises any functions or responsibilities in connection with the selection of the provider shall have any personal interests, direct or indirect, in any ensuing contract as a result of this RFP.

2.14 Lobbying

The RFP selection process shall not be compromised or distorted by private lobbying outside the procedures designated to award the best proposal for the City and the public. No Proposer may disclose their proposal to members of the City Council, members of the Board, or City employees prior to the date and time when all such proposals are to be opened and made public. A Proposer who violates this section will be disqualified from award and barred from eligibility for future proposals until all individuals who made or authorized the contact are removed from association with said Proposer.

2.15 General Guidelines and Requirements

It is the Contractor’s responsibility to carefully review all specifications, requirements,

General Conditions, insurance requirements, and other requirements herein. Submittal of a proposal is conclusive evidence that the Contractor understands all requirements and specifications without exception. Consultants must comply with all Federal, State, and City laws, ordinances, and rules.

The City is under no obligation to accept any exceptions requested or marked by the Contractor to the RFP and the City may choose to disregard any such exceptions.

All materials submitted in response to this RFP will become the property of the City upon delivery to the RFP Coordinator. The City reserves the right to reject items in the response to the RFP.

The City reserves the right to:

- Revise the RFP schedule;
- Revise the RFP and/or to issue amendments to the RFP;
- Reject, cancel, and/or reissue the RFP in whole or in part if it is deemed in the City's best interests, with no penalty;
- Refrain from contracting with any and all Contractors and/or to contract with a qualified Contractor at a date later than the date specified in this RFP;
- Waive any formality in proposals received and to waive immaterial defects and minor irregularities in proposals;
- Correct arithmetical errors in a proposal;
- Readvertise for a proposal.

The release of the RFP does not compel the City to enter into any agreement pursuant to the RFP.

Prior to the proposal submittal closing date and time established for this RFP, Contractors may withdraw or modify their response any time by a dated written request, signed in the same manner and by the same person who signed the proposal. No change to the original proposal shall be made after the proposal closing date and time, but shall be subject to clarification and negotiation as discussed hereafter (see, "Selection Process"). Any Contractor that withdraws from this RFP process understands that its written proposal to the RFP will not be returned.

2.16 Clarification of responses

As part of the evaluation process, and at the discretion of City staff and/or the review panel, Contractors may be asked to clarify specific points in their respective responses. The City reserves the right to request oral presentations from applicants. The City's requests for a clarification of a firm's response shall not be construed as giving that firm the right to amend its response or to provide additional written materials, unless expressly requested by the City and/or the review panel.

Any agreement resulting from this RFP will be between the City of Auburn and the Contractor. It is required that the selected Contractor(s) will provide all services and will

not subcontract or otherwise assign any of the work awarded through this contract without formal, written authorization from the plan administrator. This does not apply to the use of expert or brokerage services.

The selected Contractor(s) will be required to maintain administrative books, records, documents, and other evidence directly related to performance of the work and financial records in accordance with generally acceptable accounting procedures. Such disclosure shall not include information which falls within attorney/client privilege. All such records must be retained for a period of six (6) years after completion of work. The City of Auburn, or any of its duly authorized representatives, shall have access to any such books, records, and documents for inspection, audit, and copying during the contract and retention periods.

Contractors participating in this RFP shall not coordinate or discuss their proposals to provide services to the City of Auburn. Federal and Washington State antitrust laws make it per se illegal for such competitors to agree to fix prices, reduce output, allocate customers, or rig proposals. See 15 U.S.C. § 1; RCW 19.86.030. Any agreement to, for example, coordinate proposals, refuse to propose, or establish the rates at which services would be offered, would be a per se violation of the antitrust laws and could subject the participants to criminal penalties. Any firms participating in such activities shall be disqualified from the RFP process. See *Federal Trade Commission v. Superior Court Trial Lawyers Association*, 493 U.S. 411 (1990) (Antitrust laws prohibit lawyers from colluding as to the amount they would charge the District of Columbia government for their services).

2.17 Cost of Preparing Proposals

The City will not be liable for any costs incurred by the Contractors in the preparation and presentation of proposals submitted in response to this RFP including, but not limited to, costs incurred in connection with the Contractor selection process.

3.0 **CONTRACT**

3.1 Contract Formation

A contract in this matter will not be formed until executed by all parties, including the City Mayor, City Attorney, and with the signature acknowledged by the City Clerk. Performance under this contract shall not begin until the contract is fully executed by all parties.

3.2 Term and Conditions

A. Term of Contract

The contract is projected to begin September 1, and shall be for a period not to exceed five (5) years. At the end of the original term, the City has the right to renew the contract for an additional period not to exceed five (5) years or to issue a new RFP for a Provider.

B. Costs

The City is seeking an agreement in which all compensation to the Provider is paid by Plan participants.

4.0 PROPOSAL AND SUBMISSION REQUIREMENTS

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that the proposals be organized in the manner specified below and responses to section 4.4 must reference the item number.

4.1 Title Page

Show the Request for Proposal subject, the name of your firm, address, telephone number, name of contact person, and date.

4.2 Table of Contents

Clearly identify the material by section and page number.

4.3 Letter of Transmittal

4.3.1 Limited to not more than two printed pages.

4.3.2 Briefly state your firm's understanding of the work to be done and the firm's organization and its accounting environment.

4.3.3 Give the names of the persons who will be authorized to make representations for your firm, their titles, addresses, and telephone numbers.

4.3.4 The transmittal letter must include the original signature of an individual authorized to represent your firm.

4.4 Profile of the Investment Organization, and Services to be Provided

Please keep responses clear and concise. Questions that are marked with a (Yes/No) response only require a description if one is requested. If no description is requested, these questions will be recorded as a "yes/no" response only, and no additional consideration will be given.

As discussed in Section 5, each of the categories listed below has been assigned a weight that will be used in evaluating the proposals. The number shown is the maximum number of points that will be assigned to each category.

Please answer the questions in the provided format using the document that is available on the City of Auburn's web site at http://www.auburnwa.gov/doing_business/rfb_rfp.htm

ORGANIZATION – 20 POINTS

- A-1 Provide the legal name of the proposing organization and its address, telephone number, fax number and company internet web address. Please provide the mailing address if different.
- A-2 Provide the name, address, telephone number, fax number and e-mail address of the primary contact for matters relating to this RFP.
- A-3 Briefly describe the ownership structure of your organization and any subsidiaries it may have. Identify parent company and any affiliated businesses of the proposing Contractor.
- A-4 In what year was your organization founded?
- A-5 Are there any pending agreements to merge or sell your organization? Yes No
If yes, please explain.
- A-6 Has your organization ever been petitioned into bankruptcy or insolvency?
 Yes No
If yes, please explain.
- A-7 Please provide your most recent audited financial statement. If the proposing firm is an insurance company please provide your claims paying ability ratings from Standard & Poor's, Moody's, or Fitch. If rated by some other service, provide the rating and rating criteria. Also provide rating from A.M. Best Company if available.

A-8 Describe any litigation, in the past or pending, against your organization or on-site service representatives resulting from its current or past involvement with any deferred compensation, defined contribution or public/private pension plan.

A-9 Has your organization, or have any of your on-site service representatives, been cited for breaching contractual procedures and policies, or reprimanded by any regulatory agency within the past ten years? Yes No
If yes, please describe.

A-10 How long has your organization been providing services to governmental 457(b) deferred compensation plans?

A-11 Please complete the following plan profile table, which describes your current clients in the 457(b) marketplace.

Data as of 12/31/15?	Number of Plans
Under 500 participants	
From 500 to 1,000 participants	
From 1,000 to 5,000 participants	
Over 5,000 participants	
Under \$10 million	
From \$10 million to \$25 million	
From \$25 million to \$50 million	
Over \$50 million	

A-12 How many 457(b) plans, with 100 participants or more, have you won/lost in the last three years?

PARTICIPANT COMMUNICATION AND EDUCATION – 20 POINTS

Education and Enrollment

- B-1 Do you currently have staff located in Washington? Yes No
- B-2 Do you currently have an office located in Washington? Yes No
- B-3 If no, where is the office located that will service the City of Auburn's 457(b) Plan?
- B-4 Will you need to hire any additional staff in order to service the City's account?
 Yes No
- B-5 Will the City be able to have input on its on-site service representative(s)? Yes No
- B-6 Will the City's on-site representative be compensated on a salary basis? Yes No
- B-7 Do you offer on-site representatives commissions, bonuses, incentives or other compensation? Yes No
If yes, please describe.
- B-8 Do you require any special licensing or training for on-site service personnel?
 Yes No
If yes, please describe.
- B-9 Will you provide on-site, group education and retirement planning sessions on an ongoing basis? Yes No
If so, please list the titles of the subjects that are covered in your program. No description necessary.
- B-10 Are you willing to provide individual meetings and group sessions at sites and times specified by the City? Yes No
What is the limit to the number of such meeting or sessions that you would be willing to provide?

B-11 How do you plan to transfer participants from their current provider to your platform?
When would you plan to start this process?

B-12 Do you offer video or web-based educational programs to participants and retirees?
 Yes No
If yes, please list the classes/courses currently available. No description necessary.

B-13 Do you offer specific investment advice to participants via an online advice provider?
 Yes No
If so, please list the online advice provider you use.

B-14 Do you offer specific investment advice to participants on an in-person basis?
 Yes No
If yes, explain the nature of the service and cost.

B-15 Does your firm or the firm you're partnered with give investment advice? Yes No
Does the firm assume fiduciary responsibility for the recommendations that are given to participants? Yes No

B-16 Quantify your proposed, ongoing, on-site annual enrollment/education commitment.
How many group meetings will you commit to perform annually? How many individual consultations? Please complete table.

- Number of 1 hour group meetings	
- Number of ½ hour Individual meetings	
- Proposed total number of service hours	

B-17 Do you offer communication materials that are specifically customized for 457(b) plans? Yes No

B-18 Are you willing to provide the City customized educational materials at no additional cost? Yes No
If yes, briefly describe the level of customization that is available.

B-19 Do statements include a personal rate of return calculation? Yes No

B-20 How many days after quarter end until statements are mailed to participants?

B-21 Are quarterly statements available to participants on-line? Yes No
If yes, when?

B-22 Please provide samples of quarterly participant account statements.

Phone/Internet Services

C-1 Will you provide a customized internet site for the City? Yes No
If yes, briefly describe what level of customization is available.

C-2 What internet security protocols do you have in place?

C-3 Are participants able to print account statements for varying time periods, on demand, from your internet site? Yes No

C-4 Does the plan sponsor have the ability to create a customized participant message for posting on the internet site? Yes No

C-5 Have there ever been instances where the website was not functioning? Yes No
If so, please describe frequencies, duration, and how the problem was resolved.

C-6 What level of securities licensing do your phone customer service representatives (CSRs) carry?

C-7 Will you provide customization for the VRU? Yes No
If yes, briefly describe the level of customization available on your Voice Response Unit.

C-8 Please explain how phone and internet passwords are assigned and changed. Will the City be able to assist employees who forget user IDs and/or passwords?

C-9 Complete the following tables about your phone/internet services regarding the information and transaction capabilities available to participants through Customer Service Representatives (CSR), Voice Response Unit (VRU) and Internet. Indicate availability with yes/no.

Complete the following table regarding information available.

(Mark yes/no)

Participant Inquiry	CSR	VRU	Internet
- Total Account Balance	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Account Balance by Fund	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- 457 Deferral Rate	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Investment Elections	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Fund Performance	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Transaction History	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Withdrawal History	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Contribution History	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Outstanding Loan Balance	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Beneficiary Designation	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Complete the following table regarding transaction capabilities available.

(Mark yes/no)

Transactions	CSR	VRU	Internet
- Enrollment (paperless)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Deferral Change (paperless)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Fund to Fund Transfers (paperless)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Automatic rebalance	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Future Investment Election Change (paperless)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Prospectus Request	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Term Distribution (paperless)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

ADMINISTRATION/RECORDKEEPING – 15 POINTS

Recordkeeping

- D-1 Briefly describe the type of recordkeeping system and software used by your organization.
- D-2 Do you plan on any upgrades to this system or software in the next 12-months?
 Yes No
If yes, please describe.
- D-3 Have all your systems (including, but not limited to recordkeeping, Call Center, trust and Internet systems and interfaces) and the procedures used in the recordkeeping and deferred compensation business been independently audited? Yes No
- D-4 How frequently do you conduct system audits?
- D-5 How many plan sponsor clients do you have on the system?
- D-6 How many participants are on the system? What's the capacity?
- D-7 Are public sector 457(b) plans handled any differently from other plan types by your recordkeeping system? Yes No
If yes, please describe.
- D-8 Describe your company's backup emergency and disaster recovery system.

- D-9 Are back-up systems off-site? Yes No
- D-10 How often are these systems tested?
- D-11 How do you control access to the recordkeeping system? What security precautions are in place?
- D-12 What are your daily protocols and cutoff times for investment transfers between funds?
- D-13 In what format may payroll contributions and information be delivered to you?
- D-14 Can you invest contributions on the same date received? If so, what is the deadline for you to receive contribution payments and complete the investment of those contributions into the appropriate fund? If not, what is your standard for investment of contributions?
- D-15 Can participants select their own payment cycle for periodic distribution payments?
 Yes No
- D-16 Is the withdrawal check for a lump-sum distribution mailed immediately upon receipt of the request? Yes No
If no, please explain.
- D-17 Is direct deposit to a participant's bank account available for withdrawals? Yes No
- D-18 In the event of a recordkeeping error within your control, will you be financially responsible for making participants and/or the plan whole? Yes No

D-19 Are there any additional recordkeeping services which are necessary for the administration of the Plan that you do not provide? Yes No
 If yes, please describe.

D-20 Do you require the City to accept liability for any aspect of your electronic products and services? Yes No
 If yes, explain.

D-21 Confirm the format in which participant information can be delivered to you.

Plan Sponsor Services

E-1 List the reports you provide specifically to plan sponsors. Include the frequencies.

Report	Frequencies

(please expand this table as needed)

E-2 Which of these reports are available directly through your website?

E-3 Do contribution reports distinguish between new enrollees, decreases and increases?
 Yes No

E-4 Are there any additional costs to the plan sponsor associated with ad-hoc reporting?
 Yes No

E-5 Indicate what administrative functions the plan sponsor must retain, assuming the City of Auburn maximizes the use of your administrative services:

	The City Retains This Function?	If No, Please Describe (expand cells as needed)
- QDRO Review	<input type="checkbox"/> Yes <input type="checkbox"/> No	
- QDRO Approval	<input type="checkbox"/> Yes <input type="checkbox"/> No	
- Financial Hardship Review	<input type="checkbox"/> Yes <input type="checkbox"/> No	
- Financial Hardship Approval	<input type="checkbox"/> Yes <input type="checkbox"/> No	
- Term Distribution Processing	<input type="checkbox"/> Yes <input type="checkbox"/> No	
- Min. Required Dist. Processing	<input type="checkbox"/> Yes <input type="checkbox"/> No	
- Plan Document Review/Update	<input type="checkbox"/> Yes <input type="checkbox"/> No	
- Loan Review and Approval	<input type="checkbox"/> Yes <input type="checkbox"/> No	
- Contract Exchanges	<input type="checkbox"/> Yes <input type="checkbox"/> No	

QDRO (Qualified Domestic Relations Order)

E-6 Are you willing to contact participants who have selected a payment date but who have not provided method of payment instructions?

E-7 Do you provide a phone line dedicated specifically to plan sponsors? Yes No

E-8 Do you have a dedicated plan sponsor internet site? Yes No

E-9 What services do you provide specifically to plan sponsors over the internet? Please complete the table.

Plan Sponsor Services	(Yes/No)
- Participant Account Balance Information	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Plan Account Balances by Fund	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Ad hoc Report Writing Capabilities	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Payroll Deferral Posting Information	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Total Outstanding Loan Balances	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Withdrawal Request/Status Tracking	<input type="checkbox"/> Yes <input type="checkbox"/> No
- Indicative Data Changes	<input type="checkbox"/> Yes <input type="checkbox"/> No

E-10 Will the City be assigned a dedicated account manager or managers? Yes No

E-11 For each employee assigned specifically to the City's account, briefly describe each member's role and where they are located.

INVESTMENT PROGRAM - 25 POINTS

Investment Evaluation Criteria

- Funds will be evaluated based on their net investment returns compared to their appropriate broad based and style specific indices for the 3 and 5-year periods ending December 31, 2015. Core funds and their performance benchmarks are listed below:

	Benchmark	Style Index
- Stable Value or Money Market	90 day T-Bills	N/A
- Intermediate-Term Bond	Barclays Govt./Credit Intermediate	N/A
- Bond Index	Barclays Aggregate	N/A
- Large Cap Value	Russell 1000	Russell 1000 Value
- S&P 500 Index	S&P 500	N/A
- Large Cap Growth	Russell 1000	Russell 1000 Growth
- Mid Cap Index	Russell Midcap	N/A
- Small Cap Value	Russell 2000	Russell 2000 Value
- Small Cap Index	Russell 2000	N/A
- Small Cap Growth	Russell 2000	Russell 2000 Growth
- International Value	MSCI EAFE	MSCI EAFE Value
- International	MSCI ACWI ex-US	N/A
- International Growth	MSCI EAFE	MSCI EAFE Growth
- Emerging Market	MSCI Emerging Markets	N/A
- Real Estate	Wilshire REIT	N/A
- Commodity	DJ UBS Commodity TR	N/A
- Socially Responsible	S&P 500	N/A
- 5 Asset Allocation options	Custom Benchmark	N/A

- Performance relative to same-style peer universes will also be considered. Investments will be expected to be ranked median or above for at least the latest 3 and 5 year annualized periods. In addition, rolling 3-year returns will be reviewed with the expectation that performance will generally be in the top half of its peer group.

Investment Options

F-1 Propose one investment option in each of the following current core categories.

Fund Type	Fund Name	Ticker Symbol
- Stable Value/ Money Market		
- Intermediate-Term Bond		
- Bond Index		
- Large Cap Value		
- S & P 500 Index		
- Large Cap Growth		
- Mid Cap Index		
- Small Cap Value		
- Small Cap Index		
- Small Cap Growth		
- International Value		
- International Index		
- International Growth		
- Emerging Markets		
- Specialty - Real Estate		
- Specialty - Commodities		
- Socially Responsible Equity		
- 5 Lifestyle Funds		
- Self-Directed Brokerage		

F-2 What is the maximum number of investment options that can be handled by your system?

F-3 Do you normally propose a core investment lineup for your 457(b) Plan clients? If so, what is the typical lineup?

F-4 In addition to the funds you are proposing; please provide a list of the other funds available through your proprietary and alliance networks.

F-5 If a fund isn't set up on your network, are you willing to add new funds? Yes No

F-6 How long does it typically take for you to set up a new fund?

F-7 What are the minimum revenue share requirements, if any?

F-8 Please disclose all revenue share agreements you have in place with the funds available through your alliance network.

Model Portfolios

F-9 Can you administer a series of four to five customized, pre-mixed Model Portfolios comprised of the plan's underlying core funds? Yes No

F-10 Would you unitize the Model Portfolios? Yes No

Custodian

F-11 What are the additional costs of having this Model Portfolio option?

F-12 Who will be the Plan's custodian?

F-13 Where is the custodian located?

F-14 Will they also act as directed trustee? Yes No

Self-Directed Brokerage Account

F-15 Do you offer a Self-Directed Brokerage Account (SDBA) option? Yes No

F-16 Are all SDBA transactions processed on-line? Yes No

F-17 Which brokerage house(s) can be used?

F-18 Who is the record-keeper of the SDBA?

F-19 Briefly describe the process for conducting a transaction on the SDBA.

F-20 How long have you offered an SDBA?

F-21 How many of your 457(b) clients offer a SDBA as an option?

F-22 Can you limit the securities offered in the SDBA to just mutual funds? Yes No

F-23 Discuss any SDBA restrictions regarding asset transfers and trading frequencies that may be imposed.

Roth 457 Provisions

F-24 Is your organization prepared to offer Roth 457 accounts at this time? If no, please describe your planned timetable for offering the Roth accounts, if ever.

INTERNAL REVENUE SERVICE (IRS) COMPLIANCE – 20 POINTS

- G-1 Will you provide comprehensive compliance services for the 457(b) Plan? Please list compliance services to be provided, your role and responsibility for each service and your experience in providing these services.
- G-2 Will you provide a compliance review and recommendations for the current 457(b) Plan? What would be reviewed?
- G-3 Will you provide training for the City personnel and plan trustees with regard to:
- Legal and regulatory requirements? Yes No
 - Fiduciary responsibility? Yes No
- G-4 How many compliance attorneys do you have on staff and are they available to consult with deferred compensation plan clients?
- G-5 Will you provide legal assistance and direction to assure the plans operate in compliance? Yes No
- G-6 Will you provide guidance on amendments to the existing plan document as part of your services? Yes No
- G-7 Do you prepare the Form 5500 for filing? Yes No
- G-8 Do you have an audit package for the Plan auditor? Yes No

COST - 50 POINTS

All fees, commissions, and costs for services provided by the successful Contractor under this agreement shall be paid to the Contractor by individual Plan participants who voluntarily enter into an investment agreement with the Contractor. The City shall not be financially liable to the Contractor for any fees, commissions, costs, or expenses for services performed under this agreement.

- H-1 Please describe any fees and expenses related to communications, customization, and employee meetings.

- H-2 Provide a fee schedule for the Self-Directed Brokerage Account, if available.

- H-3 Provide a fee schedule for your internet investment advice program, if any.

- H-4 Provide a fee schedule for any services related to financial planning or in-person investment advice.

- H-5 Please provide a line-item list of all other non-asset based, participant-related administration expenses that will be imposed. Items such as per head recordkeeping fees, loan fees and withdrawal processing expenses should be included.

- H-6 Please provide a line-item list of all non-asset based sponsor-related administrative expenses that will be imposed. This would include any special reporting charges, legal fees, administrative processing fees, communications fees, plan document preparation fees (including any fees to maintain, update, and/or ensure compliance of such document with the Internal Revenue Code.)

- H-7 Identify all non-asset based participant and plan sponsor service fees not included above.

H-8 Please complete the chart below. Fill in the fund you are recommending and disclose all revenue-sharing amounts (including sub-T/A fees) that you are receiving from the fund company:

Fund Name	Proposed Fund	Per Participant or Flat \$ Fee	Fund Expense Ratio (a)	Admin or M&E Expense (b)	Add'l Asset Based Fee (c)	Total Charges (a+b+c)	Fund Revenue Sharing Amount
Stable Value/MM							
Intermed-Term Bond							
Bond Index							
Large Cap Value							
Large Cap Index							
Large Cap Growth							
Mid Cap Index							
Small Cap Value							
Small Cap index							
Small Cap Growth							
International Value							
International Index							
International Growth							
Emerging Markets							
Specialty - Real Estate							
Specialty - Commodities							
Socially Responsible							
Asset Allocation Funds							

H-9 Will any asset-based charges be assessed outside of investment expense? Yes No
If so, please describe.

H-10 Describe any charges or fees associated with transitioning participants from their present provider to your platform.

H-11 Describe what type of performance guarantees, if any, you propose.

4.5 References

Provide at least three current client and three former client references (comparable sized accounts); including client name, contact person, address, and phone number.

5.0 PROPOSAL EVALUATION AND SELECTION PROCESS

Proposals will be reviewed and scored by an evaluation committee made up of the DCC. The proposal selected by the DCC shall be subject to approval by Auburn's City Council. During the evaluation process, the DCC and the City reserve the right, where it may serve the City's best interest, to request additional information or clarifications from Proposers, or to allow for corrections of errors or omissions other than the requirements for timeliness and manual signature.

At the discretion of the City or the DCC, Proposers may be requested to make oral presentations as part of the evaluation process. Each Proposer selected for a presentation will be allotted sufficient time to present its proposal and to answer any questions that may be posed by the City or DCC.

It is anticipated the selection will be completed no later than June 24, 2016, with the contract executed as soon as possible thereafter.

The factors to be evaluated are as follows:

Minimum Qualifications

Proposers who do not meet the minimum qualifications will **not** be scored.

Proposing firms must meet the following requirements:

- The firm must have at least three (3) years of experience administering Section 457(b) retirement plans and must administer a minimum of 25 governmental section 457(b) plans with assets of \$10 million or more.
- The firm must provide for the compliance needs of the 457(b) Plan, including required compliance testing and reporting.
- The firm must agree to provide a fee structure based solely on 457(b) Plan assets.
- Any contract entered into by the City must stipulate that there will be no front-end charges, and no back-end charges or market value adjustments of any kind. In addition, there will be no restrictions or penalties on participant transfers or withdrawals, with the possible exception of stable value wash provisions.
- The firm must agree to provide an open/flexible investment platform that provides for non-proprietary as well as proprietary funds.
- With the possible exception of a Stable Value Fund option, all core investment options will be mutual funds with readily available expense ratios and daily NAV pricing.
- Disclose the total amount of revenue your firm is receiving from plan assets and any vendors also serving the 457(b) plan.

- Upon award of the contract, the winning firm must have been or must become duly qualified to do business in the State of Washington.
- The firm must have knowledge of and comply with all applicable Washington State and federal regulations regarding governmental retirement plans and investment options.

Any proposal not meeting these specifications may be considered, at the sole discretion of the City, as non-responsive.

Proposal Scoring

The City of Auburn will review, evaluate, and score all proposals for compliance with the Request for Proposals based on the following weighted evaluation criteria:

A. Organization (20 points):

Selected vendor will be financially stable, and demonstrate substantial experience in providing the services that the City is seeking. The vendor should have demonstrated substantial experience with similar size 457(b) Plans.

B. Participant Communication and Education (20 points):

Education and Communication materials should be easily understood by Participants at all levels. The main objective is to have a communication and education program that illustrates the benefits, features, and options available through the 457(b) Plan offering.

The program should provide guidance on investment basics and how the asset classes and funds offered can be used by Participants with different risk/return profiles.

C. Administration and Record Keeping (15 points):

Service provider should provide 457(b) plan administration. The City seeks to maintain its 457(b) Plan while minimizing administrative burden to the City.

Below is an overview of the services the City is seeking a vendor to provide:

- a) Assist and provide guidance to employer in restating the existing 457(b) plan, as needed; and
- b) Determine eligibility of employees and independent contractors for participation in the plan; and
- c) Determine the eligibility of participants to receive benefits under the 457(b) plan pursuant to information provided by employer, employer's established procedures, and the 457(b) Plan Documents and Adoption Agreements; and
- d) Determine the maximum allowable amounts to be contributed to the plan, whether by salary reduction or by employer contribution; and
- e) Authorize and direct the provider with respect to all disbursements to which a 457(b) participant is entitled under the plan; and
- f) Maintain all necessary records for the administration of the plans; and
- g) Establish and maintain practices and procedures necessary to administer the plan consistent with the Internal Revenue Code (IRC) and with the terms of the 457(b)

- Plan Documents and Adoption Agreement; and
- h) Assist participants regarding their rights, benefits, or elections available under the plan.

D. Internal Revenue Service (IRS) Compliance (20 points):

The vendor should provide compliance, oversight and services for the 457(b) Plan and accept responsibility for all 457(b) plan assets, including loans & hardship withdrawals on a forward basis.

E. Investment Program (25 points):

The City recognizes that Plan Participants are unique and diverse in terms of their ages, individual circumstances, investment time horizons, personal investment objectives, and tolerance for risk. Therefore, the Participants should be able to diversify their respective accounts according to their individual investment profiles and personal wishes. To this end, the Plan will provide a broad range of professionally managed investment alternatives that span the risk/return spectrum and are diverse from one another in terms of investment objective, investment strategy, asset class and/or management style. The Plan will provide either Model Portfolios or target date funds.

The platform should also provide flexibility to provide investment funds from multiple fund families that meet selection criteria.

The 457(b) Plan should provide Participants the ability to invest in funds that meet the minimum selection criteria. The vendor should offer access to multiple funds in each of the core asset classes and styles that meet the selection criteria outlined below.

F. Cost (50 points):

The City wants to make sure costs are reasonable for the benefits and features being provided and that all fees and expenses are clearly spelled out. The City is seeking a plan in which all compensation to the Provider is paid by the Plan participants. It is preferred, but not required, that all 457(b) Plan costs be paid by Participants on an asset based formula. Fees for Participant generated transactions, i.e. distributions, from the Plan may be charged to the individual Participant accounts.

The City reserves the right to accept or reject proposals on each item separately or as a whole, to reject any or all proposals without penalty, to waive informalities or irregularities, except for signature and timeliness requirements, and to contract as the best interest of the City may require in order to obtain the services which best meet the needs of the City as expressed in this RFP.

6.0 PROPOSED CONTRACT

The successful Proposer shall be required to enter into a Contract with the City.

7.0 INSURANCE REQUIREMENTS

Successful proposer shall be responsible for the purchase and maintenance of minimum

insurance coverage as specified in this section. This insurance coverage shall be in acceptable form, and for the amounts specified by the City, or as required by law, whichever is greater.

This insurance coverage shall remain in effect for the life of this Agreement and shall be a part of the contract price. This insurance shall be primary and exclusive of any other insurance carried by the City.

- A. Commercial General Liability Insurance: The Proposer is required to provide Commercial General Liability (CGL) insurance on an occurrence form with limits not less than \$5,000,000 Combined Single Limit per Occurrence and \$5,000,000 in the Aggregate not excluding premise operations, independent contractors, products and completed operations.
- B. Errors and Omissions/Professional Liability: \$1,000,000 combined single limit per occurrence, unless included in subsection A. The general aggregate limit shall be \$1,000,000. The insurance shall be maintained in effect during the term of the contract. If the insurance is written on a claims-made form, the Proposer shall provide insurance for a period of two years after final payment of this Agreement. The policy(s) shall evidence a retroactive date, no later than the beginning of this Agreement.
- C. Fidelity Bond: Proposer agrees to maintain a fidelity bond of not less than \$1,000,000.
- D. Commercial general/automobile liability insurance shall not be less than \$1,000,000 combined single limit bodily injury and property damage per occurrence.
- E. Worker's compensation and employer's liability insurance shall be provided for all employees who work in Washington, per Washington State Statutes, and who are performing work under this Agreement.
- F. Certificate(s) of insurance as described in this section shall be provided by the successful proposer or their insurance companies or their agents. The City shall be named as an additional insured on the policies specified in paragraph A for the work specified in this Agreement. Certificates of insurance, acceptable in form and content, will be delivered to:

City of Auburn
Human Resources and Risk Management Department
25 West Main St
Auburn, WA 98001

- G. There shall be no cancellation or material change of the insurance coverage, or intent not to renew the insurance coverage as specified in this Agreement, without thirty (30) days prior written notice to the City. Notice of cancellation, material

change in coverage, or intent not to renew will be delivered to the address designated in paragraph F of this section. Cancellation or material change in issuance coverage without written authorization by the City is a material breach of this Agreement, and subjects this Agreement to termination for cause.

- H. Upon renewal or change in policies during this Agreement, certificates of insurance shall be delivered to the address designated in paragraph F of this section.

8.0 SEVERABILITY

If any part of the agreement is declared to be void, invalid, or unenforceable by any court of law, the other parts of the agreement shall remain in full force and effect.