

## **TOWN OF HILTON HEAD ISLAND**

### **REQUEST FOR PROPOSALS PLAN ADMINISTRATION, RECORDKEEPING AND PARTICIPANT EDUCATION FOR DEFINED CONTRIBUTION AND RETIREMENT HEALTH SAVINGS PLANS RFP 2016-0021**

The Town of Hilton Head Island is soliciting proposals from qualified firms to provide Plan Administration, Recordkeeping and Participant Education for Defined Contribution and Retirement Health Savings Plans for the Town. The Town seeks a firm that can provide bundled services for these Plans, which includes maintaining plan documents, trust and custody of funds that will be selected by an independent investment consultant, recordkeeping plan level and participant level account balances, processing deposits and withdrawals, reporting, and providing website / call center integration for both plan participants' and the Town's Human Resources staff. The Town also expects a comprehensive participant education program utilizing various mediums including print, web and on-site delivery.

#### **SUBMISSION REQUIREMENTS**

**Proposals are due by 2:00 PM on Friday, August 26th, 2016.** Proposal pricing must remain valid for 180 days. Proposals must fully address requirements and Scope of Work to be considered responsive. Please submit 10 bound hard copy responses and two digital copies (2 USB memory sticks). All responses should be hand delivered or mailed by traceable means in sealed envelopes clearly identified as "RFP 2016-0021 Recordkeeper for Defined Contribution and RHS Plans" to:

Town of Hilton Head Island  
One Town Center Court  
Hilton Head Island SC 29928  
Attn: Lisa Stauffer, Senior Human Resources Administrator  
"RFP 2016-0021 Recordkeeper for Defined Contribution and RHS Plans."

Any responses received after this time or date will not be opened and shall not be considered for award. By issuing this RFP, the Town of Hilton Head Island is not committing itself to award a contract or pay any costs incurred in the preparation of responses. The Town further reserves the right to accept or reject any or all responses received, to waive formalities, to negotiate with any or all qualified firms, and/or to cancel the RFP in part or in its entirety if it is in the best interest of the Town.

Responses to this RFP will be subject to the Freedom of Information Act (FOIA). Further, the names of the responding firms shall be released to the public following the submission date and time.

Any Firm qualifying for the Town's local vendor preference should include a copy of their certification with their proposal for it to be considered.

**For information concerning this request for proposals, please contact Lisa Stauffer at (843) 341-4624 or LisaS@hiltonheadislandsc.gov**

Any questions must be submitted in writing via email to the above point of contact. The Town will accept questions until close of business on August 5, 2016. Should one be required, the Town will issue a final addendum for this RFP not later than August 12, 2016. It is the responsibility of the proposing firms to check the Town's website [www.hiltonheadislandsc.gov](http://www.hiltonheadislandsc.gov) to ensure they have reviewed and considered any addendum's issued for this solicitation.

## RESPONSE FORMAT

Printed hard copy responses should be bound (spiral preferred to 3 ring binders) to include items 1- 3 listed below. Any supplemental materials provided can be included separately (sample statements, communication plan, etc.)

1. **Executive Summary** – General Background and Resources
2. **Minimum Requirements Certification (see Exhibit 2)** - Please read carefully, sign and date it before returning as part of response.
3. **Questionnaire / Response Document (see Exhibit 3)** - Respond to each question in the order they appear.
4. **References (see Exhibit 4)** - Self-explanatory
5. **Supplemental Materials**

## SELECTION CRITERIA

All proposals shall be reviewed and evaluated by a selection committee comprised of members of the Retirement Plan Advisory Committee and Town Staff. Those firms deemed most highly qualified/susceptible for award to provide the requested services based on an evaluation using the four (4) selection criteria reflected below will be invited for an on-site interview.

1. **Demonstrated understanding of scope of services as reflected by the quality and comprehensiveness of the services proposed in your response to the RFP.**
  - a. *Operations, Administration, Sponsor Support and Systems* – Solution handles all administrative functions and services (as evidenced by questionnaire responses) and alleviates the administrative workload of the Town by providing comprehensive operational, administrative, sponsor and systems support.
  - b. *Transition/Implementation* – Demonstrates (through questionnaire responses) that firm has comprehensive capabilities to successfully transition the plans with minimal disruption to Plan Participants and Town Staff.
2. **Experience and qualifications of firm and of the team proposed to deliver these services to the Town.**

Demonstrated experience and qualifications, both as a firm and as individual team members, in delivering requested services for clients with programs similar in size and complexity to that of the Town. Verifiable record of service delivery that fully met or exceeded the client’s expectations.

  - a. *Firm Experience and Qualifications*
  - b. *Assigned Service Team Experience and Qualifications*
  - c. *Past Performance Based on References*
3. **Participant experience and education**

Proven comprehensive and collaborative participant experience delivered through multiple mediums, including printed materials, call center, onsite education and online. Strong functionality and intuitive design of online tools including transactional capabilities and availability of advice, education and other tools.

#### **4. Total fee for services**

Those firms participating in onsite interviews will receive a final ranking based on the results of their proposal evaluations using the four selection criteria above as well as an evaluation of their interview as described below:

#### **5. Interview**

- a. *Presentation/Interview/Q&A*
- b. *Participant Experience*
  1. *Web Experience/Tool Demonstration*
    - i. *Intuitive to use/customer focused*
    - ii. *Enhanced features*
  2. *Education consultant presentation*

#### **AWARD OF A CONTRACT**

After a review of proposals the selection committee will forward its recommendation for award to the Retirement Plan Administrative Committee ("RPAC") to include a final fee.

Award will be made to the most qualified firm after evaluation of all responses, to include a thorough review of their qualifications and completion of any negotiations/acceptance of their fee.

The right is reserved to reject any and all responses received; and, in all cases, the Town will be the sole judge as to whether the response has, or has not, satisfactorily met the requirements of this RFP.

#### **GOVERNING LAW**

The firm must comply with the laws of the State of South Carolina and the ordinances of the Town of Hilton Head Island, South Carolina.

#### **AFFIRMATIVE ACTION**

The firm shall take affirmative action in complying with all state and federal requirements concerning fair employment, and the treatment of all employees, without regard to, or discrimination by reason of race, color, religion, sex, national origin, or physical handicap.

#### **INSURANCE**

The firm shall maintain, throughout the performance of its obligations, a policy of Worker's Compensation insurance with such limits as may be required by law.

#### **INDEMNIFICATION**

The Town, its directors, agents, and employees shall be held harmless from liability from any claims, damages, and actions of any nature arising from the completion of the project, provided that such liability is not attributable to negligence of the part of the Town.

## **SCOPE OF SERVICES**

The responsibilities of the selected Contractor shall include, but not be limited to the following:

- Draft and maintain required plan documents for 401(k), 457(b) and Retiree Health Savings Account Plans
- Maintain census, beneficiary and account information for Participants
- Provide services and information directly to employees, including retirement planning tools, transaction confirmations, quarterly statements and online access.
- Provide participant communication and education with on-site employee meetings with the coordination of the Town staff.
- Have systems that provide:
  - o An established backup plan in place that ensures the recordkeeper can restore all participant data, transaction history, and other client related data in the event of a system malfunction or failure.
  - o An established disaster recovery plan in place that includes procedures and regularly scheduled testing.
- Provide open architecture investment platform with no proprietary fund requirements and full fee transparency.
- Pay distributions directly to participants and beneficiaries with appropriate tax reporting.
- Provide loan services including the appropriate tax reporting.
- Provide the Town with professional advice and assistance necessary in order to achieve a successful transition.
- Provide support on new and pending legislation which affects the ongoing administration and compliance of the plans, including necessary plan amendments.
- Provide flexible plan sponsor level reporting and dashboard.

### **Exhibits:**

1. Plan Details
2. Minimum Requirements Certification
3. Questionnaire / Response Document
4. References

## **EXHIBIT 1 – Background and Plan Details**

### **General Background Information on the Town's Retirement Programs**

Since 1985, the Town of Hilton Head Island has offered a deferred compensation program through ICMA-RC. ICMA-RC's 401(k) matching plan serves as the primary retirement program for approximately 130 Town employees not eligible for the SC Police Officers Retirement System (PORS) pension plan (with approximately 115 eligible employees). Other plans offered through ICMA-RC to all 245 Town employees to supplement their primary retirement plan include a 457 Plan, a non-matching 401(k) Plan and a Retirement Health Savings Plan (Roth options are available for both the 457 Plan and 401(k) Plans). ICMA currently provides administration, record-keeping and education services related to these plans. Total assets across all plans currently is approximately \$30M. See below for specific plan details.

Plan Type	401(k) - Matching <i>General Staff</i>	401(k) - Non-matching <i>Fire Rescue</i>	457
<b>Total plan assets</b> <i>(as of 6/30/2016)</i>	<b>\$22,519,695</b>	<b>\$2,019,974</b>	<b>\$4,864,739</b>
Total annual contributions <i>(as of 12/31/2015)</i>	\$1,369,988	\$50,355	\$345,441
Total annual distributions <i>(as of 12/31/2015)</i>	\$421,649	\$346,567	\$311,811
<b>Total participants</b> <i>(as of 12/31/2015)</i>	<b>189</b>	<b>54</b>	<b>103</b>
Total actives with a balance	132	15	75
Total inactive with a balance	57	39	28
<b>Total loan assets outstanding</b> <i>(as of 12/31/2015)</i>	<b>\$478,519</b>	<b>\$123,484</b>	<b>\$95,779</b>
(included in total plan assets above)			
Total # of loans outstanding	35	16	14

**Unique investment options that could affect cost**

VT Plus Fund Balance <i>(as of 12/31/2015)</i>	\$5,119,754 / 59	\$186,488 / 13	\$837,823 / 20
Retirement Income Advantage (Guaranteed Lifetime Income) <i>(as of 12/31/2015)</i>	\$2,049,140 / 7	-	\$128,294 / 2
Managed Accounts <i>(as of 6/30/2016)</i>	\$914,092 / 6	\$115,042 / 2	\$63,964 / 3

**Education details**

Total # of annual education days

Total # of locations that receive education annually and how many days per location

**Minimum Requirement:** Education Consultant to meet with staff twice a year for 2 days each PLUS once a year with Fire Rescue for 3 days. In addition, a CFP (or licensed advisor) should meet with both Staff and Fire Rescue for 1:1 consultations 3 days per year for a total of 10 days per year. Staff education would be held at Town Hall but Fire Rescue education would be at each fire station, ( 7 locations).

**Other Information**

Total # of payroll feeds and frequency	one feed bi-weekly	two feeds semi-monthly; bi-weekly	two feeds bi-weekly
Payroll provider	MUNIS	MUNIS	MUNIS

**RHS PLANS**

<b>Plan Type</b>	<b>RHS - Town Manager</b>	<b>RHS - Fire / Rescue</b>	<b>RHS - Admin Staff</b>
<b>Total plan assets</b> (as of 6/30/2016)	<b>\$85,051</b>	<b>\$1,132,007</b>	<b>\$839,790</b>
Average annual contributions (2012-2015)	\$6,693	\$163,468	\$87,870
Average annual distributions (2012-2015)	\$0	\$90,909	\$32,116
<b>Total participants with a balance</b> (as of 12/31/2015)	<b>1</b>	<b>56</b>	<b>41</b>
<b>Other Information</b>			
Contribution frequency	Forfeited sick leave end of each calendar year and/or at retirement	Forfeited sick leave end of each calendar year and/or at retirement	Forfeited sick leave end of each calendar year and/or at retirement

## **EXHIBIT 2**

### **Minimum Requirements Certification**

The Contractor must meet the following minimum requirements and positively affirm their compliance by checking the boxes below, having this form signed by an authorized representative of the firm, and returning this page with the response document.

- Contractor must be a direct provider currently engaged in the business of providing bundled administrative services of the nature described in this RFP including recordkeeping, plan administration, and participant education services.
- Contractor, after taking into account the activities of a related predecessor (e.g. by merger or reorganization), affiliate, or principal of Contractor:
  - has been in business for a minimum of ten (10) years
  - has provided similar plan administration and recordkeeping services to at least three (3) other retirement plans of similar participant and plan asset size to the Town
  - satisfactorily provides bundled administrative services for at least ten (10) billion dollars in total Defined Contribution plan assets, which includes, but is not limited to, the total assets from 401(k), 457(b), 401(a), 403(b), and profit sharing defined contribution plans.
- Contractor warrants that it will provide the Town with an “open architecture” investment platform that is capable of administering any investment option including mutual funds, CIT’s, or any other investment option permissible under §401 and §457 plans (e.g., stable value products) without exception.
- Contractor warrants that no revenue based on this Plan or its assets will be paid to any 3rd party that does not provide direct and previously disclosed services to this Plan.
- Contractor warrants that any revenue received by it from investments or services made available to the Plan from any source in excess of the quoted price to provide the requested services in this contract shall be returned to the Plan or Plan participants.
- Contractor warrants that any expense to implement changes or enhancements to the program occasioned by changes to federal and/or state law is borne solely by the firm.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

### **EXHIBIT 3**

**Questionnaire:** All Proposers must submit 10 bound hard copies of the proposal, answering each of the following questions (in order).

#### **Operations, Administration and Sponsor Support**

1. The Town would prefer to outsource as much plan administration as possible and have the vendor handle the majority of participant contact. Please confirm your abilities to accept these responsibilities and outline any areas where this may be an issue. Also, briefly describe areas in which you believe your firm has a competitive advantage.
2. Confirm whether your prototype plan document can support automatic enrollment and escalation.
3. Are you willing and able to draft a custom plan document and would this service be included in your pricing?
4. Describe the managed account / investment advisory services that can be provided to the Plans (i.e., Morningstar, Financial Engines, etc.).
5. Do you offer the proposed managed account services in your Company's own Defined Contribution plan(s)? Explain.
6. Indicate whether your advisory service is through a partnership or other relationship with an outside company, and if so, please identify that associated company. Describe your due diligence process for selecting the partner and what services are provided.
7. Confirm the fiduciary coverage and responsible parties as it pertains to the advisory services.
8. Are any of your employees incented or paid directly or indirectly to recommend, market or promote the managed account services?
9. Describe your Self-Directed Brokerage Option ("SDBO") including the type of investment options available through it.
10. Can your SDBO be restricted to offer mutual funds and Exchange-Traded Funds ("ETF's") only?
11. Describe any process you use that re-confirms the responsibility of an investor in the SDBO.
12. Describe any limitations in moving contributions or existing account balances into or out of the SDBO from your proposed investment options.
13. What guarantees are provided by your firm that assure that the products and services you propose are delivered as warranted by your response. For each guarantee, include:
  - a. your performance "benchmark,"
  - b. how you track your performance against the benchmark, and,
  - c. the dollar amount "at risk" for not achieving the result.
14. Do you have the ability to and will you provide the Town with an annual 408(b)2 plan sponsor level fee disclosure statement (or equivalent)? The Town believes this to be best practice, even though the Plans are not subject to these ERISA requirements. Please provide a sample.
15. Provide a link to a demo plan sponsor website with login and password.
16. The Town also maintains 3 Retirement Health Savings Plans. If you offer this type of plan, please describe plan design features, available contribution types, investment fund options, and fees charged. Also, describe your service capabilities for administering these plans, including details on specific plan administration such as how participant enrollment, account management and distribution requests are handled. Please include some background on any business partners that may provide your organization with assistance or support in delivering these services, and the related costs.

#### **Systems**

17. Describe the hardware and software system you use for record keeping and administering defined contribution plans.
18. In what year did you begin using your current recordkeeping system?

19. Describe the flexibility of your recordkeeping system in assessing various fee schedules such as waiving fees for participants with small account balances or capping fees for participants with larger account balances.
20. Disclose any incident which has occurred within the last 3 years that did or potentially could have jeopardized the security of participant information in your record keeping system. Include outside cyber-attacks, theft of unencrypted data or equipment like laptops, etc. Explain those measures you took following an incident to prevent a reoccurrence.
21. Describe how your proposal satisfies the trust requirement for this Plan.
22. Describe how you monitor employee deferral amounts to stay within current guidelines.
23. Describe the Town's and your firm's roles in the administration of Qualified Domestic Relations Orders (QDROs).
24. Describe the transfer of existing loans from the current administrator and any fee that would apply.
25. Describe how a participant initiates the loan process.
26. List the method(s) by which loans are re-paid.
27. How do you handle delinquent and/or defaulted loans?
28. What responsibility does the Town retain for initial and ongoing loan servicing?
29. Describe the type and frequency of any report you could provide to the Town about loan activity.
30. List any National Securities Clearing Corporation ("NSCC") traded fund families for which your firm will not be able to execute an agreement.

### **Transition/Implementation**

31. The current plans hold \$ 6,144,065 collectively in the VT Plus Fund as of 12/31/2015 – a Stable Value Fund that has a 12 month put (funds may not be released for up to 12 months) that can be enforced upon contract termination. How will your organization handle this fund during the transition, and ongoing? What will the participant experience be with your approach, and what impact does this have on plan administration?
32. The current plan holds \$ 2,181,267 in an in-plan annuity solution, the VT Retirement Income Advantage Fund as of 12/31/2015. What solutions can you provide that will help the participants maintain the income guarantees they have currently?
33. Include a suggested transition timeline in your response including your projected "blackout" period and assuming a transition "Go Live" date of March 1, 2017.
34. Would you anticipate that any complexities of the Town's Plans would cause their "black-out" period to be longer than average during this transition?
35. Provide the name and biography of the Implementation Lead that would be managing the transition. Please include any reasons why this person was selected for this project being sure to describe any relevant expertise.
36. How many other transitions would the Implementation Lead be involved with during our transition?
37. How many transitions in the past three years has your firm completed from the incumbent?
38. Please describe any unique transition features or characteristics that you believe differentiates your firm.

### **Firm Experience and Qualifications**

39. Please describe why your firm acquires and successfully retains clients similar to the Town. Include any unique services, features, etc. that you feel illustrates your firm's competitive advantages. Please limit this response to 300 words or less.
40. Please state the name of your company, headquarters' address, local business address (if any) and the name, title, address, phone number, and email address of the primary contact person for your proposal. Indicate the hours of operation at the local office, if any.
41. State the physical address of the Proposer's office(s) that will have primary responsibility for these

- services as well as the number (in Full-Time Equivalents) of professional staff employed at that office.
42. Describe your ownership structure; identify parent and/or subsidiary companies and/or affiliated business enterprises, and their primary businesses.
  43. Provide a brief summary of your company's history and the types of services provided to defined contribution plans.
  44. What is the breakdown of the number of clients you service by plan type and as a percentage of your total business?

Type	# of plans	% of plans
401(k)		
457(b)		
401(a)		
403(b)		
Taft-Hartley		
<b>Total</b>		

45. Please provide a list of defined contribution clients as follows:

Number of Employees	Number of Plans	Average Plan Size (\$ in millions)	% of Total DC Assets
Under 100			
100-499			
500-999			
1,000-4,999			
Over 5,000			
<b>Total</b>			

Assets (in millions)	Number of Plans	Average Plan Size (in millions)	% of Total DC Assets
\$0-\$5M			
\$5-\$10M			
\$10-\$25M			
\$25-\$100M			
\$100-\$250M			
\$250-\$500M			
\$500M+			
<b>Total</b>			

46. For the 5 year period ending December 31, 2015, complete the following table:

Year	# of Clients Gained	# of Clients Lost
2015		
2014		
2013		
2012		
2011		

47. Describe any litigation and its status/final disposition in the past five (5) years involving your company as an administrator, investment provider, or in any other professional capacity with respect to any defined contribution plan.
48. Describe the date and nature of any investigation of your Company, your Parent Company, or any Affiliate Company by the Financial Industry Regulatory Authority (“FINRA”), the Securities Exchange Commission (“SEC”), or other state or federal regulatory authority within the last five (5) years and its status/final disposition.
49. Please provide a copy of your standard company contract for the Town to review, highlighting any conflicts with the terms and conditions of this RFP, along with any other agreements or documents that would require Town approval and execution should your firm be selected as the winning proposer. The Town reserves the right to consider such conflicts when rating your proposal.

### **Assigned Service Team Experience and Qualifications**

50. Describe at the team and individual levels, those who would deal directly with the Town administrative team during the transition and on an ongoing basis.
51. Please provide biographies of the appropriate team members who will be assigned to this relationship. Please be sure to include each person’s;
  - i. firm tenure
  - ii. location
52. How many clients are currently managed by the proposed Relationship Manager?
53. Describe how the performance of the dedicated account team for the Town will be graded. Will they be judged based on revenue, client satisfaction, or a blend of multiple factors?
54. Describe in detail how the members of the proposed service team are compensated?
  - i. Relationship Manager (person responsible for overall relationship)
  - ii. Client Service Rep (day-to-day contact)
  - iii. Education Consultant (on-site rep conducting 1:1 and group meetings)
55. How frequently do you formally survey or seek input from your clients with respect to services and products provided by your firm? What approaches do you utilize to gain this feedback? How does your firm track service quality and subsequently report these findings to the client?
56. How many attorneys do you have on staff to support your defined contribution and deferred compensation clients? How many compliance specialists?
57. Detail the types of services your attorneys and compliance specialists can provide to the plan sponsor.
58. Why do you believe the assigned Relationship Manager and supporting team listed above is the best fit for the Town?

### **References**

59. Please provide a listing of at least three, but no more than five, current full-service client references that are similar in size to the Town. At least two of the references must be clients managed by the relationship manager who would be assigned to the Town account. Proposer must complete the reference form provided as **Exhibit 4** for each client. Do not include the Town itself, or any current clients that work with The Bogdahn Group, the Town’s Investment Consultant, as references.

## **Participant Experience and Education**

60. Describe your initial and on-going standard communication and education program (including printed materials, group education meetings, one-on-one participant on-site counseling sessions, employee meetings, training, web-based information sessions, etc.) Please provide samples of your standard material.
61. Describe how your firm is embracing the theories of behavioral finance to better educate/assist participants for retirement.
62. Are your education specialists employed solely by your firm or an outside firm?
63. Briefly describe the quarterly participant statement you would provide to participants of this Plan and any customized features that might be available. Include a sample copy in your response.
64. Describe those services you provide to employees in Spanish.
65. List the Internet services your firm makes available to Plan participants.
66. List the hours where live operator assistance is available through your Voice Response Unit (“VRU”).
67. Indicate the percentage of abandoned calls to your Voice VRU:
  - i. From 1/1/16 through 03/31/16.
  - ii. Quarterly average from 4/1/15 through 12/31/15
68. If call center related issues occur, are you able to share digital recordings of the call with the client to address quality control issues?
69. Do you have the ability to and will you provide participants with an annual 404(a)5 participant level fee disclosure statement (or equivalent)? The Town believes this to be best practice, even though the Plan is not subject to these ERISA requirements. Please provide a sample.
70. Provide a link to a demo participant website with login and password.
71. Describe the retirement modeling tools and any other calculators that are available on your website. Are participants able to aggregate outside assets into the retirement modeling tool? Does your website offer gap analysis and retirement readiness projection tools?
72. Are participants able to handle all self-directed brokerage account transfers and transactions via the website?
73. Describe any services that you provide to help near retirement participants transition to retirement. Please provide details on any tools and resources available to them, including information on the IRA products available, the investable universe within the IRA, and related fees for such services.

## **Fees/Expenses**

The Town is requesting pricing based on an exclusive administrator with immediate transfer of all liquid assets (see note in question 31 regarding the VT Plus Fund), an ‘open architecture’ investment menu that provides no revenue to the administrator, and no Market Value Adjustment (“MVA”) charge on the request to transfer the assets to a new service provider.

It is the intent of the Town to implement a mutual fund/variable separate account investment structure for the Plan that consists of approximately 15-20 investment options with different risk and return characteristics. Each Proposer shall provide its total revenue requirement for the services outlined in this RFP assuming no investment revenue and no proprietary investment products. Concurrent to this RFP, the Town is working with their investment consultant to create a simplified, open architecture, best in class fund lineup for all investments to map to at transition.

### **Disclose all fees in your proposal including, but not limited to:**

74. Total revenue required for recordkeeping and administration in basis points

Each Proposer shall provide its Basis Points in the appropriate box below (column "A"). Proposer shall then multiply its Basis Points times the Assets (column "B") and enter the product of such calculation, without further adjustment or modification, in the column marked Total (column "C").

<b>Basis Points (A)</b>	<b>Total Assets (B)</b>	<b>Total Cost (C)</b>
	\$ 29,404,408*	

*\*As of 6/30/2016*

75. Total revenue required for recordkeeping and administration in dollars per participant.

Likewise, each Proposer shall provide its Per Participant fee in the appropriate box below (column "D"). Proposer shall then multiply its Per Participant fee times the Total Participants (column "E") and enter the product of such calculation, without further adjustment or modification, in the column marked Total (column "F").

<b>Per Participant (D)</b>	<b>Total Participants (E)</b>	<b>Total Cost (F)</b>
	346*	

*\*Total # of participant accounts in 401k and 457 plans as of 12/31/2015. Does not include RHS participants.*

76. Provide the total number of on-site participant education days included in the required revenue above (questions 74 & 75) and the cost per day for additional meetings.

77. Any fee assessed on a per participant basis, including but not limited to:

- a. Loans – Origination fee
- b. Loans – Annual maintenance fee
- c. Distribution fee
- d. DRO qualification fee
- e. QDRO processing fee

78. What are the managed account / investment advisory related fees, if any, and are these fees assessed at the plan level for all participants or only charged to those participants who elect this service?

79. Disclose all Plan or participant level expenses for the SDBO including annual account maintenance fees, buy and sell transaction fees, etc.

80. Termination/liquidation costs if moved to a new administrator at end of contract period;

81. Legal /Compliance services

82. Discuss additional charges/fees made as a result of changes to the Plan.

83. Confirm your quoted pricing is not contingent on a vendor fund mapping strategy and that your platform is open architecture.

## **Optional**

84. Describe any proprietary product or service (i.e. investments, managed accounts, etc.) that might materially reduce the recordkeeping costs should they be offered. If one of these products is a stable value fund, answer the remaining questions in this section.

**Protection of Principal Option:** It is the intent of the Town to offer participants an investment option that reasonably attempts to maintain stability of principal with a competitive rate of return. In addition, this investment option should have:

- No liquidity restrictions at the participant level; and
- No payout restrictions exceeding 12 months, no market value adjustments, no contingent deferred sales charges, or any other fees or restrictions at the Plan Sponsor level if the assets are transferred to a replacement provider at the end of the contract term.

## **Protection of Principal Questions**

85. Describe the type of product you would provide to this Plan and its cost structure.

86. Provide the adjusted total revenue required (if any) as outlined in questions 75 & 76 above.

87. Provide the net annualized credited rate for this product as of:

- i. 12/31/2015
- ii. 12/31/2014
- iii. 12/31/2013
- iv. 12/31/2012
- v. 12/31/2011

88. Provide the following information on the proposed product:

- i. current average credit quality of the underlying portfolio
- ii. current average duration of the underlying portfolio
- iii. Describe how the credited rate is determined and the frequency with which it changes.
- iv. Describe the nature and duration of any rate guarantees within your product.

89. Describe any market value adjustment, contingent deferred sales charge, other monetary penalty, recalculation of the book value, or any other fee, restriction or penalty that would be imposed if the assets of the proposed product are moved to a new service provider.

90. For general account products, provide the financial strength ratings of the issuing Company from the following organizations and the date of the most recent ratings:

- i. AM Best
- ii. Fitch
- iii. Moody's
- iv. Standard & Poor's

91. Describe exposure of the underlying assets in the product you are proposing to sub-prime lending issues and what further change in exposure you anticipate in the next 12 months.

**EXHIBIT 4**

**REFERENCES**

Use one form for each firm. Please be sure to include all information below.

**COMPANY NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**CONTACT PERSON:** \_\_\_\_\_

**PHONE NO OF CONTACT PERSON:** \_\_\_\_\_

**EMAIL ADDRESS OF CONTACT PERSON:** \_\_\_\_\_

**# OF YEARS AS A CLIENT:** \_\_\_\_\_

**PLAN SIZE: # PARTICIPANTS** \_\_\_\_\_ **ASSETS** \_\_\_\_\_

**GEOGRAPHIC LOCATION:** \_\_\_\_\_

**SERVICES PROVIDED:**

\_\_\_\_\_  
\_\_\_\_\_

**NOTE: YOU MUST COMPLETE THIS FORM FOR EACH REFERENCE PROVIDED.**