

City of Carrollton, Texas
Request for Proposal for Retirement Plan
Administration and Record Keeping Services
Provider Questions and Responses
December 17, 2015

Thank you for your interest in responding to this Request for Proposal. We have included every question, request for clarification and request for confirmation received from potential bidders by the deadline stated in the RFP document. We changed the text of some of the questions and/or requests so they read better and/or to fix typographical errors.

1. If loans are available, how many loans are currently held in each plan?

- Yes, loans are available.

Loans	#	\$
ICMA	89	\$906,439
Nationwide	51	\$656,889

2. Do any of the current plans offer life insurance policies?

- There are no life insurance policies at ICMA but there are with Nationwide. There were 11 participants with Nationwide for a total estimated life insurance premium of \$786.

3. What are the current service hours and days provided today by each provider annually?

- It is important to note that the current service model is in large part irrelevant to what the City hopes to see as part of the proposals received. We would encourage you to consider what has worked (or not) with your firm and propose an effective model that your firm believes will drive results. Below is a table of education provided by the record keepers:

	2014		2015	
	Group	Individual	Group	Individual
ICMA	14	93	6/67	48
Nationwide	6	33 visits	5	20 visits

Nationwide note: individual sessions include multiple 1:1 interactions at each location. Individual 1:1 meetings have not historically been tracked

4. What is the current gross and net crediting rate on the ICMA Plus Fund? What is the expense ratio?

- As of September 30, 2015, the gross crediting rate was 2.33% with an expense ratio of 0.27% and the net rate (R5) was 1.75% with an expense ratio of 0.83%. The crediting rate is reset each month and is annualized. The VT PLUS Fund gross return is net of fees of 0.27% of assets, which consists of: (i) third-party subadvisers fees of 0.10% of assets; (ii) third-party wrap provider fees of 0.14% of assets; (iii) third-party custody fees of 0.01% of assets; and (iv) third-party acquired fund fees of 0.02% of assets. The gross return is reported in a manner consistent with stable value industry reporting practices. The VT PLUS Fund R5 total fee is net of fees of 0.83% of assets, as disclosed in

the VantageTrust Funds Fees and Expenses document accompanying the most recently published Retirement Investment Guide. The fees in the net return consist of: (i) Fees listed under the gross return; (ii) ICMA-RC Advisor fees of 0.30% of assets; (iii) ICMA-RC Operating Expenses of 0.01% of assets; and (iv) ICMA-RC plan & participant services fees of 0.25% of assets. Fees are subject to change due to fixed income manager, wrap, allocation, or other changes.

5. In Section G. Fee Structure, there is an option for pricing in all four plans combined. Can respondents decline to provide a price with all four plans combined?
 - Yes. Although the bulk of the RFP pertained to the retirement plans, all plans are part of this formal RFP process. The City will consider all candidates and their service offering(s) and costs. Preference may be given to firms that offer a bundled solution but that has not been decided yet.
6. Can the RHS plan pricing remain separate?
 - Yes.
7. Can the OBRA plan pricing remain separate?
 - Yes.
8. What are the current fees for each of the plans?
 - With ICMA's 401 and 457 Plans, there are no per-participant or asset-based tack-on administrative fees. With the RHS Plan, there is a 0.30% tack-on administrative fee as well as a \$25 per-participant fee. With Nationwide, the variable investment options offered in the 457 Plan are assessed an asset management fee of 40, 45 or 80 basis points, depending on the investment option selected by the participant. There is no asset management fee assessed to the Nationwide Fixed Account. There is no asset management fee assessed to participant accounts in the OBRA Plan.
9. Can you provide the current service agreements?
 - Please see attached.
10. Can you provide the current plan documents?
 - Please see attached.
11. Can you provide the current adoption agreements?
 - Please see attached.
12. For the OBRA plan, the Nationwide Fixed Account is the only investment option. When we price that plan separately, what percentage of the \$97,000 market value adjustment (MVA) will be allocated to that plan?
 - The breakdown for the MVA is \$96,000 for the Nationwide 457 and \$1,000 for the OBRA.
13. Please provide the number of participants invested in the VT Guaranteed Income product?

- There were 142 participants invested in the VT Retirement Income Advantage Fund.

14. Please confirm the number of total eligible participants?

- As of December 15, 2015, there are 795 eligible participants (this does not include any OBRA participants).

15. Please confirm the number of unique participants (SSN's) across the relationship?

- Due to security concerns, we did not use Social Security numbers as the identifier but rather both first and last names of participants. We deleted duplicates where both the first and last name were the same (or variations of the first name such as Chris and Christopher). After this exercise, there were 1,761 unique names across all plans and across both providers.

16. Is it safe to assume that the City will be combining the two 457 Deferred Compensation plans in to one or are they looking to continue administering the plans separately?

- Although the trend in the industry is to consolidate to a single provider and there are many significant advantages to consolidate to a single record keeper, there are no expectations at this time on the number of providers for each plan. The Committee will make a decision in the best interest of participants.

17. How many days of on-site support would you suggest to include? Both in year one and ongoing support?

- Although the City is generally satisfied with the current record keepers, they are taking this opportunity to explore ways to enhance the retirement program. The Committee is open to alternative servicing schedules and methods and is interested in each firm's proposal in this regard. Their expectation is in large part irrelevant to what the City hopes to see as part of the proposals received. We would encourage you to consider what has worked (or not) with your firm and propose an effective model that your firm believes will drive results.

18. Please describe client-specific needs and whether custom development of communications is required?

- Customized communications may be required/desirable for any potential transition from the existing provider(s) and to introduce the initial investment offerings and any enhancement to the Plans. The City does not currently envision the need for other types of communications unique to the City and/or its Plans that would not also be needed for your other clients.

19. Please confirm the 2015 Total Deferrals for the ICMA 457 Plan on page 6 of the RFP?

- Due to an error, the figure on page 6 was erroneously listed as \$151,180. It should be \$1,567,004.

20. Please confirm the scheduled implementation date of June 30, 2016 and provide an anticipated contract award date with finalist interviews currently scheduled for April 6, 2016?

- The date for finalist interviews is now scheduled for April 13, 2016. This means bidders should assume a transition date of August 31, 2016 after a notification for award towards the end of April.
21. Please provide the number of unique participants with an account balance across all plans, e.g., if a participant is in two plans, they should only be counted once.
- See Question 15.
22. Does the City currently offer loans? If so, how many loans are outstanding and the total balances?
- See Question 1.
23. Can you please provide a copy of the plan documents?
- See Question 10.
24. The RFP states on page 9 that Nationwide has a MVA of approximately \$97,000. Can you please confirm if this is a positive or negative MVA?
- This is a negative MVA meaning there would be a plan/participant shortfall when comparing market to book.
25. If the Nationwide MVA is negative is the City considering the 60 month period (5 years) installments option?
- Yes, but there is an opportunity for respondents to absorb the MVA to make participants whole in case the City elects the other option.
26. What is the anticipated service start date if the City were to move to a new provider?
- Currently the expected date of transition is August 31, 2016. However, the City will work with its record keeper(s) and consultant to determine the most appropriate conversion date that is beneficially to all parties, especially its participants.
27. Are there any specific language needs for the participants other than English?
- Spanish, but the City would expect your firm to utilize a language line or other translation resource(s) if there was a non-English-speaking participant who needed help in another language.
28. Has the City anticipated the number of days per year they would like a representative available onsite?
- No.
29. Will you be using a single vendor or are there going to be multiple vendors?
- See Question 16.
30. What is the pricing for the managed account platform?

- Managed accounts are not offered.

31. Does a consultant choose the funds in each of these plans?

- No.

32. What are the fund choices that are offered in each plan?

- The fund choices were included as Attachment C to the RFP document.

33. Are the fees that are charged the same or different in the 457 and 401(a) plans?

- With ICMA, yes, they are. Nationwide does not administer the 401(a) Plan.