



August 7, 2019
Addendum 2

TO: ALL OFFERORS

RE: **RFP 018-0-2019LAC Supplemental Retirement Benefit Plan Recordkeeping Services**

The following information is provided:

1. As of 3/31/19:
 - 403(b)- \$29.1 Million in assets; Active participants 708, out of 4,622 eligible
 - 457(b)- \$1.1 Million in assets; Active participants 18, out of 4, 622 eligible
2. Attachment A, Questionnaire is revised and attached.
3. Attachment B, Fund Line Up is attached to this addendum

Signature: _____
(Offeror)

Sincerely,

Lisa A. Cumming, CPPO, C.P.M., VCO
Director of Procurement

Attachments:

- Attachment A: Revised Questionnaire
- Attachment B: Fund Line Up

RFP 018-0-2019LC Attachment A (Revised)

Background:

1. Provider Name:
2. Provide background information and a brief description of your firm. Include any pertinent information relative to the size and organizational structure of your firm.
3. Provide pertinent financial data which demonstrates your firm's ability to successfully perform required services. Include a copy of most recent annual report.
4. Describe the service team that will be responsible for the overall relationship. Please include only those with direct interaction with the client and do not include supervisors or other management positions.
5. Please describe the conversion team that will transition the plan and the conversion process.
6. Describe how your relationship management services work and where that servicing is done.
7. What is the case load of the relationship manager that would be assigned to a plan of this size?
8. How long has the relationship manager been in this position?
9. What is the average tenure of support personnel?
10. Have there been any management changes in the retirement plan group within the past six months? If yes, please explain.
11. Please estimate the number of new hires for the year in the Retirement Plan group.
12. What is your voluntary employee turnover rate?
13. Does your service model provide for the same administrative team working on a plan year after year?
14. How many in person meetings per year does your relationship manager attend at the client's office?
15. Do you have internal counsel? If so, how many?
16. Is counsel made available directly to a client to answer questions related to their plan?
17. Are clients billed extra for consulting with your attorneys?
18. Is your firm under any litigation? If yes, please describe.
19. What capabilities do you have for comparing the plan's retirement benefit programs with the programs sponsored by other similarly-sized organizations? Describe databases, methodologies, and other features of your approach.
20. Please provide the number of defined contribution plans that currently use your record keeping and compliance services.
21. Please provide the number of 403(b) and 457(b) clients where you are the single provider?

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22. Please provide the number of clients that are ERISA 403(b) plan sponsors?
23. Please provide the number of clients that are non-ERISA 403(b) plan sponsors?
24. What are the total assets and total number of participants in the defined contribution plans on your platform?
25. What is average size of plans currently under management in terms of both assets and number of participants?
26. How many plans do you currently service that are similar in size to this 403(b)/457(b) client?
27. Please provide the number of defined contribution plans gained and lost in 2018, 2017, and 2016.
28. How many 403(b) and 457(b) plans do you currently actively administer in the following (Please note if you are responding for 403(b) , 457(b) or both categories:

<u>Participant Base:</u>	<u>Multi-Vendor</u>	<u>Single Vendor</u>
Under 100 Participants		
100 to 499 Participants		
500 to 999 Participants		
1,000 to 4,999 Participants		
5,000 to 9,999 Participants		
10,000 or more Participants		

29. How many public school systems do you currently actively administer? Please separate multiple vendor clients versus single vendor clients.
30. Have you previously provided services to the Newport News Public Schools 403(b)/457(b) Plans? If so,
 - a. How many participants are currently in your program? How many are active? How many are inactive?
 - b. What are the assets currently in the Program? How much of the assets are in individual contracts? Group Contracts? Fixed assets? Variable?
 - c. What surrender charges exist if participants choose to move assets?

Administration:

31. What type of plan design and consulting services are included in your standard services?
32. Do you outsource any operational responsibilities?
33. If so, who are you partnering with and which services are being outsourced?

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34. Does a third party have the ability to access or receive participant demographic data and asset information values?
35. List all tasks the plan sponsor can initiate via the plan sponsor website.
36. List all tasks the plan participant can initiate via the participant website.
37. What is the timing for mailing or posting of quarterly reports to the plan sponsor?
38. Are there any options for receiving reports other than paper?
39. What is your targeted date for mailing participant statements? What is your actual experience?
40. Do participants have the option to have electronic statements? If so, please describe the process for notification and delivery.
41. Does your firm have a governmental affairs or legal department that provides legislative oversight on issues concerning retirement plans? How is this communicated to the client?
42. Do you have the ability to place employees into various groups (divisions) if you are provided with a unique identifier for each group/division?
43. How many payroll sources can your platform support (employee deferrals, employer match, employer profit sharing, catch-ups, etc.)?
44. How many days does your typical payroll processing encompass? (i.e. Receive pay file on Day 1; When are funds drafted and allocated to accounts)?
45. What method of electronic fund transfer do you support? (ACH, Wire)
46. Do you provide a suite of standard reports that are readily accessible via Internet?
47. Do you provide real time, on-demand ad-hoc reporting via Internet?
48. Do you provide paperless loan capabilities?
49. Do you provide participants with access to a prospectus for investment options, and if so, how do you provide the information to participants?
50. Describe your current process for assisting plan sponsors with complying with 403(b)/457(b) regulations. Please describe your compliance process.
51. Please provide information to perform a demo of your website.
52. Provide a sample participant statement.
53. Detail your QDRO processing and the responsibility you take. Is there a separate charge?
54. How often will you meet with the Human Resources Management to review the plan, review regulatory developments, and discuss any workflow or satisfaction issues? Who from your firm will attend these meetings?
55. In the table below, note the capabilities of your plan sponsor internet site:

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ITEM	YES	NO
Payroll Submission		
Reverse Payroll Feed		
Standard Reports		
Approve Participant Transactions, if required		
Regulatory;/Legislative Information		
Transaction History		
Create Ad Hoc Reports		
Print Forms		
View Discrimination Testing Results		

56. Please provide information to perform a demonstration of this site.

57. Payroll Processing

- a. How are contribution dollars transmitted to your firm? (ACH or Wire)
- b. How is the contribution data file provided to your firm?

58. Loan Processing

1. Does your product provide for participant loans? If yes, does the plan sponsor have the ability to outsource approval to the provider if requested?
2. Are loan repayments made directly by participants or through payroll deduction?
3. Is a 1099 form automatically issued when a loan default occurs?
4. Respond to the following questions as they apply to 403(b)/457(b) plans:
 - Minimum loan amount
 - Maximum loan amount
 - Maximum repayment term
 - Maximum number of loans outstanding at a time
 - Restrictions on how often loans can be requested
 - Interest rate charged on loan as of 12/31/2018
 - Interest rate credited on repayment as of 12/31/2018

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- Are there any restrictions on a participant's remaining balance when they have a loan outstanding? (I.e., a collateral amount must be invested in the Fixed Account)

59. Fully describe your capabilities and processes in the area of compliance, based on 403(b) regulations. How would you ensure we comply with each of the following items. We would like your responses to include, but not be limited to:

- Effective Date
- Written Plan
- Transfers and Exchanges
- Consequences of defects
- Universal Availability and other nondiscrimination requirements
- Distributions and Loans
- Contribution limits
- Vesting
- Plan Termination
- Timing of contribution remittance
- Title I of ERISA

To the extent a vendor (or vendors) fails to provide the information, either by lack of response or by lack of capability, how would you consult with in order to comply with the new regulations?

Education and Communication:

60. Does your firm provide printed education materials and programs other than enrollment? If so, describe the frequency and scope these materials cover. Please provide samples.
61. Will you customize Plan Sponsor and/or Participant communication deliverables (including web presentations and participant statements)? Please state the degree of customization included in your proposed expenses.
62. Do you target communications to specific employee groups using regular mail (e. g., non-participants, low deferral percentages, lack of investment diversification, those nearing retirement)? Please provide samples.
63. Can you personalize targeted participant mailings (e.g., name, salary, age)?
64. Do you provide each participant with an annual GAP analysis for their individual account without the participant having to request the analysis?
65. Do you offer GAP analysis tools for participants available on the website?)
66. Do you offer an online investment advice tool?
67. Do you have automatic enrollment capabilities?
68. Do you report on the number of participants automatically enrolled or participants who opted out each month to Plan sponsors?

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69. Do you report on behavior changes that results from meetings (either group or 1 on 1). Behavior changes could include enrolling in the Plan, increasing rate of deferral, changing asset allocation, etc.
70. Do you have automatic escalation/increase capabilities?
71. What options do you offer for defaulting automatically enrolled participants into the plan?
72. Do you offer any additional participant services?
73. Please list any additional costs associated with any of the above features and communication materials.
74. How do you provide temporary passwords and/or a replacement PIN to a participant who is unable to access his/her previously assigned password/PIN? Is this available immediately or does the participant need to wait for a replacement through the mail?
75. How many days of employee meetings at each public school location are included in your proposal both in the first year and ongoing? How will you provide the entities with data showing compliance with the agreed upon number of days per location?
76. Will you provide 1 on 1 meetings with employees? How many? How will you show compliance with the schedule?
77. Provide a sample communications calendar.
78. How many local representatives will be assigned to service the entities?
79. Do you have corporate standards for returning phone calls to clients? If yes, please detail and describe how this is monitored.
80. What hours are the representatives available to clients via telephone or email? What are the representatives' office hours?

Investments:

81. How many funds and fund families do you have access to on your investment platform?
82. Are there further restrictions as to the funds or families available on your platform?
83. Is there any number of funds or percentage of assets required in your proprietary fund offerings that a client must meet? If so, describe.
84. Are there any restrictions as to the number of funds that a plan can offer on your platform? If so, describe.
85. Does the Plan Sponsor have the ability to build risk based asset allocation models from the core investment menu?
86. Does the Plan Sponsor have the ability to easily replace investment options?
87. What is the required notice period to replace investment options?
88. Who is responsible for drafting and mailing notification to participants when investments are replaced?

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89. Are there any costs associated with closing one fund and mapping assets to another (other than those associated with a particular fund (i.e. redemption fees)?
90. Is there a blackout that requires a Sarbanes-Oxley notice to be provided to participants when fund options are replaced?
91. Do you provide an automatic rebalancing capability?

Plan Fees:

92. May fees be netted from participant accounts? If yes, does the plan sponsor have the choice of reflecting this on participant statements as a line item?
93. May fees be netted from the investment returns in the plan? If yes, does the plan sponsor have the choice of reflecting this on participant statements as a line item?
94. Does your firm provide for full fee transparency, including disclosure of all expenses, sub transfer arrangements and any other fees that a platform may be receiving in exchange for services provided to the plan? Please note how you provide fee transparency on fixed accounts.
95. Assuming there is no revenue sharing, what would be your gross fee to service this/these plans? What services are included in this fee?
96. Are there any funds that will be required to be offered if you are selected as the provider? If so, please provide revenue sharing from those assets.
97. Provide a list of all miscellaneous fees that may be incurred by the plan sponsor or plan participant outside of the fees for your standard services. Please include loans, hardships, in-service withdrawals, terminations, and QDRO processing (not qualification).
98. Please provide your fees for employee communications and education services.
99. Are the revenues generated from the investments maintained in a separate Plan Sponsor account to be used for expenses?

Systems and Technology:

100. What percentage of your firm's budget is applied to technology improvements for retirement services?
101. What dollar amount of your firm's budget is applied to technology improvements for retirement services?
102. Do you have complete disaster recovery capabilities and plan?
103. Do you have a redundant system?
104. Describe your security for protecting an individual's personal information.
105. Has your firm experienced any security breach of plan participant personal information in the past? If so, explain.
106. Please provide a Plan Sponsor Demo Website and Plan Participant Demo Website (information to access).

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107. How often is your web site unavailable?
108. Can the plan sponsor's logo be featured on the participant website?
109. Is there any other customization of the website available (client's colors, layout etc.)?
110. Do you provide a static website with information for participants during the conversion project?

Reporting:

111. Do you offer corporate trustee services?
112. Provide the name of your trustee/custodian.
113. Does your firm have internal safeguards to prevent corruption?
114. Does your firm have the ability to provide signature ready 5500 tax forms?
115. Will you provide a three year service guarantee in which the contracted rates will not increase?
116. Do you measure your performance against established service standards at least annually?
117. Do you guarantee your performance standards against service standards?
118. If your service and performance standards are not met, will you subject yourself to financial penalties?
119. What are your service and/or performance standards with regard to the following:
 - Statement delivery
 - Queue time VRU
 - Year-end report package
 - Signature ready 5500 delivery
 - Loan processing
 - Payroll processing
 - Distribution processing
120. Are quarterly statements for plan sponsor and plan participant kept and made available for at least four quarters?

Vendor References:

121. How many organizations sponsoring [403(b)] and [457(b)] Plans does your company actively service in the Commonwealth of Virginia?
122. List three (3) references for public school districts, including contact person, phone number and e-mail address for which your company is currently providing [403(b)] and [457(b)] services.

PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.19 | Q2 19

Newport News Public Schools 403(b) Plan

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2018	(%)	CURRENT	(%)
Stable Value	Lincoln Stable Value (Z28)	\$6,764,100	25.75%	\$6,976,199	24.07%
Fixed Income - Intermediate Core Bond	BNY Mellon Bond Market Index Inv	\$4,762,469	18.13%	\$5,075,257	17.51%
Intermediate Core-Plus Bond	Lord Abbett Total Return R3	\$3,449,570	13.13%	\$3,671,356	12.67%
Large Company Value	JHancock Disciplined Value R2	\$1,400,427	5.33%	\$1,601,607	5.53%
Large Company Blend	BNY Mellon S&P 500 Index	\$2,606,968	9.93%	\$3,131,898	10.81%
Large Company Growth	MFS Growth R2	\$335,190	1.28%	\$415,557	1.43%
Medium Company Value	JPMorgan Mid Cap Value A	\$1,052,741	4.01%	\$1,222,148	4.22%
Medium Company Growth	MassMutual Select Mid Cap Growth A	\$361,906	1.38%	\$472,788	1.63%
Foreign Large Blend	American Funds Europacific Growth R3	\$1,617,108	6.16%	\$1,876,634	6.48%
Foreign Large Blend	MFS International Intrinsic Value R3	\$855,157	3.26%	\$949,633	3.28%
Small Company Value	Victory Integrity Small-Cap Value A	\$299,944	1.14%	\$357,895	1.24%
Small Company Blend	JPMorgan Small Cap Equity A	\$1,084,180	4.13%	\$1,326,682	4.58%
Specialty-Real Estate	DWS RREEF Real Estate Securities S	\$455,819	1.74%	\$527,212	1.82%
Self-Directed Brokerage	Self Directed Accounts	\$813,058	3.10%	\$906,372	3.13%
Loan	Loan Fund	\$405,380	1.54%	\$467,541	1.61%
TOTALS		\$26,264,018	100%	\$28,978,779	100%

Information provided by Record Keeper. For informational purposes. Not a substitute for official statements produced by the plan custodian. Information has been obtained from sources considered reliable, but its accuracy and completeness are not guaranteed. This report is not an illustration of investment performance, but rather a historical illustration of asset allocation.

PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.19 | Q2 19

Newport News Public Schools 457(b) Plan

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2018	(%)	CURRENT	(%)
Stable Value	Lincoln Stable Value (Z28)	\$458,418	44.63%	\$394,233	38.86%
Fixed Income - Intermediate Core Bond	BNY Mellon Bond Market Index Inv	\$50,975	4.96%	\$39,716	3.91%
Intermediate Core-Plus Bond	Lord Abbett Total Return R3	\$32,316	3.15%	\$28,491	2.81%
Large Company Value	JHancock Disciplined Value R2	\$16,247	1.58%	\$14,887	1.47%
Large Company Blend	BNY Mellon S&P 500 Index	\$222,903	21.70%	\$263,806	26.00%
Large Company Growth	MFS Growth R2	\$6,779	0.66%	\$8,369	0.82%
Medium Company Value	JPMorgan Mid Cap Value A	\$14,465	1.41%	\$15,481	1.53%
Medium Company Growth	MassMutual Select Mid Cap Growth A	\$16,608	1.62%	\$18,364	1.81%
Foreign Large Blend	American Funds Europacific Growth R3	\$21,384	2.08%	\$20,645	2.03%
Foreign Large Blend	MFS International Intrinsic Value R3	\$15,112	1.47%	\$14,792	1.46%
Small Company Value	Victory Integrity Small-Cap Value A	\$12,780	1.24%	\$14,296	1.41%
Small Company Blend	JPMorgan Small Cap Equity A	\$30,565	2.98%	\$35,285	3.48%
Specialty-Real Estate	DWS RREEF Real Estate Securities S	\$5,544	0.54%	\$4,121	0.41%
Self-Directed Brokerage	Self Directed Accounts	\$118,577	11.54%	\$137,049	13.51%
Loan	Loan Fund	\$4,441	0.43%	\$4,984	0.49%
TOTALS		\$1,027,112	100%	\$1,014,518	100%

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