



## **REQUEST FOR QUALIFICATIONS**

### **RETIREMENT PLAN CONSULTING SERVICES**

#### **HOUSING COMMISSION OF ANNE ARUNDEL COUNTY**

##### **I. GENERAL INFORMATION/PUBLISHING**

The Housing Commission of Anne Arundel County (HCAAC) is accepting “Qualification Statements” from retirement plan consulting firms to provide ongoing advisory services related to the entity’s Retirement Program. The firm must have a proven track record of successfully providing the outlined “Scope of Services” for employers of comparable size and complexity and will work directly with the HCAAC Human Resources staff in administration and delivery of the plan.

The employee retirement plan year is January 1 through December 31. This RFQ is being done with the objective of evaluating our current firm relationship relative to other interested parties and their ability to provide the outlined “Scope of Services.” The scope of the services to be provided, and qualifications to be evaluated, shall require expertise in matters relating to Defined Contribution 401(k) and 414(h) Plans.

The anticipated duration for the initial firm services is for a period not to exceed two (2) years. The duration may be reviewed from year to year at HCAAC’s sole discretion, and HCAAC may further extend the relationship on an annual basis. Conversely, HCAAC reserves the right to terminate the relationship at any time should it be determined that the Firm is not fulfilling the “Scope of Services” as expected. The Firm relationship is expected to commence immediately following the selection process, to include fulfilling all service requirements for a smooth transition in 2020, for the plan year beginning January 1, 2020.

This solicitation does not commit the Housing Commission to award a contract or to pay for any costs incurred in the preparation of proposals or to procure or contract for any goods or services.

The Housing Commission does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in the employment or in the provision of goods and services.

The final selection is subject to approval by the HCAAC selection committee. Resume’s/Qualifications/Letters of Intent must be emailed to:

**HCAAC Attn: Dean Hadjis**

**dhadjis@hcaac.org**

## **II. CURRENT EMPLOYEE RETIREMENT PLAN**

It is not a primary objective of this RFQ to necessarily solicit new or different coverage; the intent is focused on reviewing Firm services for the requirements identified in this request. However, in the event HCAAC determines it is in the best interest of the plan to consider other coverage, Firms submitting “Qualification Statements” must be able and willing to handle these solicitations and negotiations on behalf of the HCAAC if selected.

The HCAAC Employee Retirement Plan covers approximately 65 employees’.

### **Employee Retirement Plan Firm RFQ**

Our current firm is responsible for servicing the following core Employee Retirement Plan products:

- Administration of a retirement trust.
- Limited provision of retirement planning services.
- Employee contact for Retirement assistance and resolution
- Administration and Compliance services

Recommendations of additional programs and services to benefit the HCAAC Program.

## **III. SCOPE OF SERVICES**

The Housing Commission desires a Consultant to serve as an independent reviewer of the Plan's recordkeeping, administration, and investments. The Consultant is expected to provide the following services as defined:

- A. Quarterly review of investment lineup for appropriateness of performance and fund fees/expense.
  - i Provide on-site performance reports to the Retirement Plan Advisory Committee.
  - ii Provide overall economic context for discussion and evaluation of quarterly results.
  - iii Determine if investment options offered are optimum choices given the considerations for diversification, risk, and return.
  - iv Provide a cost analysis of the Plan's expenses to compare actual investment expenses to those offered by competitors.
  - v Assist the Client in continuously negotiating contractual terms and offer alternative recommendations.
- B. Review the Plan's investment policy.
  - i Review soundness and effectiveness of the policy in terms of addition, removal and retention of the mutual funds and investment products in the Plan.

- ii Ensure well defined procedures in the policy are in place for the review, maintenance, and monitoring of investment funds.
  - iii Monitor and report on investment manager compliance to investment policy statement on a quarterly basis.
  - iv Recommend and perform replacement manager/fund evaluations as necessary and appropriate.
- C. Review Plan Provider's recordkeeping, administration, administrative fees, and service guarantees results.
- D. Provide recommendations to ensure that all interested parties are fulfilling their respective fiduciary responsibilities.
- E. Provide educational services to Retirement Plan Advisory Committee on relevant topics.
- F. Review employee education strategy for fit with demographic and plan goals.
- G. Serve the Committee as a resource for retirement plan strategy and decision making.
- H. Provide assistance in issuing request for proposals and evaluating responses for selection of plan record keepers as needed.
  - i Provide full responses and summary information to the Committee for initial review, discussion and scoring.
  - ii Review employee education and advice tools and philosophy, pricing and cost considerations, investment flexibility including preservation of principal option(s), and soundness of recordkeeping systems. Conduct reference checks as requested.
  - iii Facilitate and conduct vendor interviews.
  - iv Assist in contract negotiation and review.
  - v Participate in all transition calls, typically weekly, if necessary.
  - vi Assist in participant communication and education regarding any vendor transition.

#### **IV. “QUALIFICATION STATEMENT” RESPONSE REQUIREMENTS**

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.

- A. The Consultant must be able to prove through their responses they are a firm capable of serving as investment consultant for Defined Contribution 401(k), and Defined Contribution 414(h) Plans, and other such similar plans.
- B. The Consultant must be able to prove through their responses they are a firm capable of providing assistance in issuing request for proposals and evaluating responses for selection of Plan record keepers.
- C. The firm must be registered as an investment adviser under federal or state law and provide evidence of such.

- D. The Consultant must be a Registered Investment Advisor under the Investment Advisors Act of 1940.
- E. The firm must submit copies of its most recent Securities and Exchange Commission Form ADV, Parts I and II.
- F. The firm must be a "Fee Only" firm with no commissions accepted from any other firms.
- G. The firm must not be affiliated in any manner whatsoever, either directly or indirectly, with any organization that provides brokerage, insurance, investment management or any other service that, in the opinion of HCAAC, constitutes a conflict of interest. The firm may not derive compensation from any brokerage, insurance, investment management or other provider that, in the opinion of HCAAC, constitutes a conflict of interest. HCAAC retains sole discretion to determine whether actual or potential conflicts of interest exist related to a proposer.
- H. The primary consultant assigned to this account must have a minimum of five (5) years' experience investment consulting services to public and/or private defined contribution plans.
- I. As of January 1, 2019, the firm must have been in business at least five (5) years.
- J. The Consultant must acknowledge in writing that it is a fiduciary of the plans.
- K. Firm Organization
  - i Provide the name of the organization and the name and address, telephone, and e-mail of the person capable of negotiating and responding on behalf of the organization.
  - ii Briefly describe the company's background, history and ownership structure, including any parent, affiliated or subsidiary companies, and any business partners or joint ventures.
  - iii Please indicate the number of clients your firm provides investment consulting services for and your total assets under advisement. Provide a further breakdown of number of clients and total assets of your defined contribution clients.
  - iv For how many public sector defined contribution clients do you currently consult? How many have a matching 401(k)(or similar) plan where the employer matches employee deferrals subject to a formula?
  - v How many public sector defined contribution clients have you lost over the last three years. Provide reason, if available.
  - vi Describe any citations or warnings your firm has received within the last five years by federal or state regulators for violations of any state or federal law or regulation.
  - vii Describe any litigation naming your firm as a defendant in the past five years.
  - viii Describe any unique services offered by your company that may not be offered by competitors.
  - ix Describe any significant developments in the company (such as ownership, personnel, etc.) that have occurred within the past three (3) years. Describe any significant changes anticipated within the next five (5) years.
  - x Describe your average consultant to client ratio.
- L. Employees/Culture/Standards of Conduct/Etc.
  - i Describe the company's culture.

- ii Describe the turnover Rate for investment consulting professionals over the past three (3) years and provide a brief explanation.
- iii Describe the company's process for recruiting, hiring, training and monitoring key employees.
- iv Describe the company's written code of conduct and standards for professional behavior, including how such are monitored and enforced.
- v How are the consultant recommendations to clients reviewed and monitored? Does the company adhere to a level of consistency in consultant recommendations?

M. Investment Policy Development & Manager Research

- i Please describe your investment policy process.
- ii Explain your basic investment philosophy.
- iii Explain your investment selection criteria.
- iv Describe in detail your manager database. If you have an in-house database, do you sell it to third parties? How do you receive compensation for selling it? What fees or other consideration, if any, do you receive from managers who wish to be maintained in your database? Describe any advantage that you perceive your database has over others.
- v How many individuals do you have dedicated to manager research within your firm and how do they help in the manager search process?
- vi Please address any alternative or additional services that you are capable of providing that may be of benefit to our organization.
- vii Are any commissions, fees (direct or indirect), revenue sharing, or any soft dollar compensation paid to your organization? Please describe.

N. Performance Evaluation

- i What is the frequency of reporting to clients (e.g.: monthly, quarterly)?
- ii Please provide a Sample Quarterly Report.
- iii What is the frequency of your portfolio evaluation?
- iv What is the frequency of account review by your firm and willingness to meet with management to make recommendations and discuss performance?
- v What do you believe sets your performance and other services apart from the competition?
- vi Do you provide fiduciary training and education for plan sponsors and/or the plan committee? Please describe.
- vii What factors are considered by the company to be critical in reporting performance? Does the company have the ability to customize its reports for clients?

- viii How are the performance benchmarks for the total fund, different asset classes and manager styles chosen and constructed?
- ix Does the company use investment style benchmarks in its performance measuring process? What are the sources of the underlying data and how the benchmarks are calculated and maintained?
- x What amount of input would the Retirement Plan Advisory Committee have in the content and format of an investment performance report?

O. Insurance and Liability

- i Describe the company's level of coverage for errors and omissions insurance and any fiduciary or professional liability insurance. Describe whether the coverage is on a per client basis, or is the dollar figure applied to the firm as a whole? List all insurance carriers and attach appropriate certificates of insurance and/or certified true copies of each policy with the company's Submittal.
- ii What limitation on liability, if any, does the company impose through its contract?

P. Provider/Vendor Services

- i Disclose any potential conflicts of interest in your relationship with TPA/ Recordkeepers including sponsorships of conferences, booths or other financial or significant incentives.
- ii Describe your vendor benchmark service and process.
- iii Describe your service provider search RFP service and process.
- iv In the past 24 months, how many Recordkeeping searches have you conducted for the public sector Defined Contribution and Deferred Compensation plans your firm supports?
- v How many of these resulted in a change in provider(s)?
- vi List the names of the most frequent Recordkeepers that you have recommended in the last 5 years
- vii With how many different service providers does your firm work to support current clients?
- viii What plan design change initiatives have you led with your clients in the past 24 months?
- ix Please describe your due diligence process for recordkeeping platform recommendations and monitoring.

Q. Fees & Expenses

- i Disclose the source of all revenues and fees to the firm.

- R. The firm must complete the following Potential Conflicts of Interest Questionnaire. A 'yes' response to any of the following questions will result in disqualification of your firm and your proposal will not be considered further.

**QUESTIONNAIRE**

Yes No

Do you or a related company have relationships with money managers or record-keepers that you recommend, consider for recommendation, or otherwise mention to the plan? If so, please describe those relationships.

Yes No

Are there any circumstances specifically related to your firm activities under which your firm, its officers, or employees receive direct or indirect compensation, or anything of value (tangible or intangible; gifts, travel, lodging, entertainment) from investment managers or record-keepers?

Yes No

Do you or a related company receive any payments from money managers or record-keepers you recommend, consider for recommendation, or otherwise mention to the plan for our consideration?

Yes No

Do you have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker/dealer?

Yes No

Do your clients utilize money managers, investment funds, brokerage services or other service providers from who you receive fees?

Yes No

Do you have any actual or potential conflicts of interest with, or adversarial litigation against HCAAC? HCAAC retains sole discretion to determine whether actual or potential conflicts of interest exist related to a proposer.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name, Title

## **V. RFQ QUESTIONS AND CLARIFICATIONS**

All inquiries regarding the RFQ must be submitted in writing to **DEAN HADJIS, HCAAC**. Written responses to such inquiries will be made available to any requesting party, in accordance with the Open Records Act.

Any information given to a Firm will be furnished to all prospective Firms as an addendum if such information is necessary or if the lack of such information would be prejudicial. Receipt of addendum should be acknowledged in the "Qualification Statement." Although the Finance Division will take effort to send any addendum to known Firms, it is the Firm's ultimate responsibility to ensure that they have all applicable addenda prior to submitting the "Qualification Statement".

From the date of distribution of the RFQ through the date of selection of a Firm by HCAAC, Firms may not initiate or continue any verbal or written communications regarding this RFQ with any HCAAC employee or other HCAAC representative. Such communications are expressly forbidden except with the written foreknowledge to and permission of the HCAAC Administrator. Violations will be reviewed by the HCAAC Administrator. If determined that such communication has compromised the competitive process or is otherwise deemed to be disruptive, inappropriate or unacceptable conduct, the RFQ submitted by the Firm may be disqualified from further consideration.

## **VI. REVIEW OF "QUALIFICATION STATEMENTS" AND SELECTION CRITERIA (100 points)**

"Qualification Statements" will be evaluated on, but not limited to, the following criteria:

- A. The Firm's demonstrated qualifications and expertise in performing the "Scope of Services" required (as demonstrated by a review of current and historical client base, carrier relationships, work samples, references, etc.) including qualification and experience of the staff directly assigned to the HCAAC account. Professional and Ethical reputation of the firm will be considered alongside past performance and quality of work provided to comparable clientele. Describe firm's experience providing services as described in the Scope of Work to clients of similar size and scope. In addition, describe any special experience, insight or qualifications that may differentiate your firm from others and prove particularly beneficial to this engagement. Provide a representative list of at least 3 clients who provide services similar to that being requested by the Housing Commission. The list should include client name, client's email address and telephone number, specific services provided, and dates of those services. References must be for services provided within the past 5 years. Responding firms should make their references aware of this RFP and request they expeditiously respond to any inquiries by the Housing Commission. (30 points)
- B. Local representation (within Maryland, DC, Virginia). (10 points)
- C. Qualifications and Experience of Assigned Personnel - Identify project manager/primary point of contact and key staff to be assigned to this project, along with their expected services related to the Scope of Work. Resumes and work experience related to projects similar to the Housing Commission's scope of work should be included for each individual referenced.
- D. Administrative Services provided to HCAAC leadership for the day to day administration of the Retirement Program. (10 points)

- E. Administrative services provided to HCAAC employees including but not limited to problem resolution, questions, life events, etc. (20 points)
- F. “Ben-Admin” services for administration via electronic file and visual review and audit. (10 points)
- G. Rate/Pricing - Provide an overall cost of services to be performed based upon the outlined Scope of Work, inclusive of all reimbursable expenses. Detailed cost breakdown should address the following: Detailed price list for all services to be performed. Include typical payment schedule. Cost for additional services that may exceed the requested proposal if the offeror believes such services would benefit the Housing Commission. (20 points)

Questionnaire/Response Document- Responses to this questionnaire are designed to provide the Housing Commission with a straightforward presentation of the consultants’ approach to the defined scope of work. Respond to each question in the order they appear.

## VII. ANTICIPATED TIME LINE

- August 09, 2019 – Advertise RFQ.
- September 25, 2019 – Selection of Lead RFQ.

Time line is subject to change at the sole discretion of HCAAC. No individual extensions will be granted for the “Qualification Statement” deadline.

## VIII. ADDITIONAL SUBMITTAL AND RFQ DETAILS

- A. “Qualification Statements” must be delivered and received by HCAAC no later than August 30, 2019 at 3 PM.
- B. “Qualification Statements” must be submitted to: **HCAAC, Attn: DEAN HADJIS at [dhadjis@hcaac.org](mailto:dhadjis@hcaac.org)**
- C. Respondents must submit electronically via email.
- D. HCAAC shall not be responsible for the loss, non-delivery, or physical condition of documents sent by postal or courier/parcel service.
- E. Documents received after the deadline will not be considered.
- F. False statements and/or incomplete submittals are grounds for rejection.
- G. The HCAAC may choose to reject a “Qualification Statement” from a Firm who is in default on the payment of taxes, licenses or other monies due to the HCAAC.
- H. Please note that all information received in this process becomes property of HCAAC and is public information after the selection process is completed (subject to disclosure in accordance with the Open Records Act).
- I. HCAAC reserves the right to amend this RFQ up to the deadline. Notification of any amendments will be posted to the HCAAC’s website and will be distributed via email to all parties who have requested same by providing a valid email address. In the event such an amendment would

require significant changes in the scope of work, HCAAC reserves the right to adjust the deadline accordingly to allow respondents to revise their responses.

- J. HCAAC reserves the right to: request additional information from any or all parties at any point in the process, waive any irregularities in any response, cancel this RFQ in whole or part, reject any or all proposals, and/or proceed at any time with the Firm(s) determined to be the best suited for providing the “Scope of Services” as outlined.
- K. Prior to the submittal deadline, “Qualification Statements” may be modified or withdrawn by the respondent’s authorized representative in person. If proposals are modified or withdrawn, the authorized representative shall make his identity known and shall sign a receipt for the proposal.
- L. It is the Firm’s responsibility to carefully examine all components of the RFQ, his/her ability to meet the expectations outlined, and to respond accordingly. Failure to do so shall not be grounds for any declaration that the respondent did not understand the conditions and requirements of the RFQ.
- M. In the event of default of the successful respondent, or the successful respondent’s failure to meet the “Scope of Services,” HCAAC reserves the right to proceed with any other respondent.
- N. From the date of distribution of the RFQ through the date of selection of a Firm by the HCAAC Council, Firms may not initiate or continue any verbal or written communications regarding this RFQ with any HCAAC employee or other HCAAC representative. Such communications are expressly forbidden except with the written foreknowledge to and permission of the HCAAC CEO. Violations will be reviewed by the HCAAC CEO. If determined that such communication has compromised the competitive process or is otherwise deemed to be disruptive, inappropriate or unacceptable conduct, the RFQ submitted by the Firm may be disqualified from further consideration.
- O. Failure to observe any of the instructions or conditions in this RFQ may constitute grounds for rejection of the Firm’s “Qualification Statement”.