Request for Proposals (RFP)
Evaluation of the 401(a) and/or 403(b) Providers

RFP Release: February 26, 2015
Proposals Due: March 20, 2015
1. Overview and Scope

Pursuant to Ohio Revised Code 3305.03, the Chancellor of the Ohio Board of Regents (the “Chancellor”) is responsible for designating the entities that are eligible to provide investment options under alternative retirement plans maintained by public institutions of higher education. In order to designate these entities as vendors, the Chancellor must accept and review applications. Vendors must meet certain requirements set forth in Chapter 3305. The Chancellor is seeking a consultant to assist with the creation of the vendor application, review of the applications submitted by entities that desire to offer alternative retirement plans and a recommendation for vendor selection. The vendor applicant seeks approval to provide a 401(a) plan(s) at the public universities in Ohio. The 401(a) plan may include mutual funds and annuity contract vendors.

Additional information regarding the Chancellor’s role in evaluating potential alternative retirement plan vendors can be found in Ohio Administrative Code 3333-1-40.

The award of this RFP will result in a contract with the Chancellor through June 30, 2015. The contract may be renewed in subsequent biennia.

In addition, some of the four year public universities in Ohio (Inter University Council- IUC), listed in Appendix A, seek a consultant to assist with a review and evaluation of current providers/brokers and a recommendation for provider/broker selection under the 403(b) plan, pursuant to Ohio Revised Code 9.90. The evaluation may include, but is not limited to the following: customer service, account management, investment fees, years of experience and product offering. A recommendation for suggested items to review should be included in the response.

A supplemental page is included in this RFP related to the 403(b) consultant hire. The respondent should complete the supplemental page if interested in providing services for all or some member institutions of the IUC group in relation to the 403(b). The respondent will not be penalized for leaving the supplemental pages blank. And any additional information provided on the supplemental pages will not weigh into the Chancellor’s decision relative to the ARP. Potentially, one vendor could be selected for the ARP and 403(b) work, however a selection by the Chancellor is not guaranteed of work with the IUC.

The award of this RFP may result in a contract with all or a portion of the IUC member institutions, individual contracts or term rates. Each institution may also individually contract for additional analysis or consultation.

2. Key Dates & Applicant Process

- **02/26/15** Release of RFP
- **03/20/15** Proposals Due
- **April 2015** Chancellor’s Award Decisions
- **April 2015** Contract Preparation and Execution

**02/26/2015 - Release of RFP** from the Ohio Board of Regents posted at [http://www.ohiohighered.org/grants](http://www.ohiohighered.org/grants).
03/20/15, by 5 p.m. – Proposals Due via email to Kathryn Shipley, kshipley@regents.state.oh.us with the subject ‘Evaluation of Alternative Retirement Plans – [Name of Applicant].’ See Section 5 for detailed submission instructions.

3. Eligible Applicants

Eligible responders are able to do business in the State of Ohio and have the necessary expertise to evaluate entities for designation as providers for the 403(b) plans at state institutions of higher education. The firm must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. The advisory firm must agree to disclose all potential conflicts of interest as such exist or occur. The individual assigned to the contract, must as of December 31, 2013, have a minimum of five (5) years of experience as (a) the Primary Advisor to at least one public and/or private defined contribution retirement fund with at least $1 billion in assets, whether that experience was included in or in addition to the five-year requirement above. The term “Primary Advisor” shall refer to the lead, most senior advisor assigned to provide advisory services.

4. Evaluation & Application Scoring Criteria

The cost of preparation and delivery of the proposal are solely the responsibility of the firm. Responders will be evaluated by the Chancellor’s staff and participating IUC institutions based on predetermined criteria. The Chancellor’s staff and the IUC reserves the right to contact any reference to assist in the evaluation of the proposal, to verify information contained in the proposal, and to discuss the firm’s qualifications with any person or entity not affiliated with the Chancellor’s or IUC office. Finalists may be required to make a presentation of the proposal. The presentation may occur at the Chancellor’s or IUC offices or at the offices of the firm. The presentation cannot materially change the information contained in the proposal. The Chancellor (for ARP) and IUC (for 403(b)) shall evaluate the candidates and exercise independent judgment in making the final decision.

5. Proposal Contents & Page Limits, Format & Submission Instructions

Contents & Page Limits: This request for proposals is designed to furnish detailed information regarding the responder’s ability, expertise and impartiality to create an application, if necessary, and review applications from entities seeking to offer 403(b) plans to state institutions of higher education. Additional information may be requested. All information submitted in response to this RFP is public information unless a statutory exception exists that exempts it from public release. Responses that are poorly formatted or submitted, incomplete or otherwise determined to not meet the format and submission guidelines may be removed from the pool for review. Proposals shall not contain promotional or display materials.

Contents should be arranged in the following order and be at or less than the noted length:

1. Cover Page (optional)
2. Abstract – One page or less
3. Proposal Questions – Responder should respond to the questions set forth in the Exhibit II 30 pages or less
4. Optional Response to 403(b) Questions

Format: One PDF in 11 point Arial font with normal margins, single line spaced on 8.5 × 11-inch paper. In the footer all pages must be numbered consecutively using the format ‘page x of y’ (e.g., page 3 of
10) with the responder name. Consecutive page numbering applies to all pages of the proposal including any appendices.

Submission Instructions: Attach one PDF of the entire proposal to an email and send to Kathryn Shipley, at kshipley@regents.state.oh.us, with ‘Evaluation – Alternative Retirement Plans – [Name of Responder]’ in the subject line by 5:00 p.m. on March 20, 2015.

6. Legal Notice & Disclaimers; Obligations to Local, State & Federal Governments

All information submitted in response to this RFP become property of the Chancellor and is public information unless a statutory exception exists that exempts it from public release under the Ohio Public Records Act, as defined in Section 149.43 of the Ohio Revised Code.

The Chancellor and/or IUC reserves the right to request or use additional information to assist in the review process, to require new proposals from interested parties, to reject any or all proposals responding to this RFP, or to re-issue, modify or cancel the RFP if it is determined that it is in the best interests of the institutions. Issuing this RFP does not bind the IUC to issuing a contract. The IUC administers the process and reserves the right to adjust the dates for this process for whatever reasons are deemed appropriate. All costs incurred in preparation of a proposal shall be borne by the applicants and are not recoverable under an award. The decisions of the Chancellor (ARP) and IUC (403(b)) are final. Applicants will be notified of the outcome of their application at the conclusion of the review process.

The applicants understand that the information provided in this RFP is intended solely to assist in the proposal submission process. To the best of the Chancellor’s and IUC’s knowledge, the information provided is accurate; however, the Chancellor or IUC does not warrant such accuracy and any errors or omissions subsequently determined will not be construed as a basis for invalidating this RFP. Interested parties bear the sole responsibility of obtaining the necessary information to submit a qualifying proposal. By submitting a proposal, applicants expressly agree to these terms.

Obligations to Local, State & Federal Governments: The contract between the IUC and the chosen applicant (“contractor”) will require the contractor to comply with all applicable federal, state and local laws in the performance of the project. Contractors must accept full responsibility for payments of all unemployment compensation, insurance premiums, workers’ compensation premiums, income tax deductions, social security deductions and any and all other payroll deductions required for all employees engaged on the performance of the work authorized by the contract.

Contractors will be required to certify in the contract, among other things, that they do not owe any delinquent taxes or money to the state or a political subdivision of the state whether the amounts owed are being contested in a court of law or not.

Questions and comments should be directed to Kathryn Shipley, email at kshipley@regents.state.oh.us with the subject ‘Evaluation – Alternative Retirement Plans.’
A. ABOUT YOUR FIRM

Describe your firm and/or team. If your team is affiliated with a large firm that includes multiple teams around the country, please tell us about your team. Include and answer the following:

- Firm or Team Name:
- Address:
- Name and Contact for this RFP:

1. Is your firm, its parent, or affiliate, a registered investment advisor under the Investment Advisors Act of 1940? If yes, please provide the firm’s (or parent or affiliate’s) SEC File Number (e.g. 801-xxxx).

2. Describe the ownership and structure of your firm.

3. List your firm’s lines of business, including any affiliated companies.

4. How many years has your firm been in business?

5. Briefly describe your firm’s history.

6. How many years has your firm been servicing retirement plan clients?
   a. Provide documentation of your firm’s experience servicing retirement plan clients.
   b. Detail the expertise your firm provides as it relates to ARP plans for public employers.
   c. Explain the expertise can your firm provides as it relates to investment options under the ARP or similar types of plans that are qualified defined contribution plans under Internal Revenue Code 401(a) or 403(b), maintained by institutions of higher education.

7. List the total number of employees in the firm?
   a. Number of employees who are Investment Advisory Representatives (IARs)?
   b. Do you use sub-contractors? Yes or No

   If Yes, who and for what services?

8. What is the position of your firm in the employer-sponsored retirement plans business?
   a. Percentage of revenue from retirement plan investment advisory services.
   b. Plan assets under advisement
   c. Total number of clients with plans under your advisement that are defined contribution plans that are qualified plans under Internal Revenue Code 401(a) or 403(b).
d. Number of core client plans, with whom your firm has regular quarterly contact.

e. Number of client plans added over the past 24 months

f. Number of clients lost over the past 24 months

g. Publications your firm has created or contributed to

h. Recognition received from independent sources demonstrating your firm’s expertise and credibility

9. List the types of services your firm offers for retirement plans.

10. Is the firm able to create the vendor application, review applicants and provide vendor recommendations? If not, explain which services the firm cannot provide.

11. Does the firm intend to utilize any subcontractors in delivering the scope of services? If yes, provide the name and qualifications of any subcontractor that the firm intends to use for delivery of services. Provide a full disclosure on any conflict of interest.

12. Provide the percentage of total firm revenues that came from each of the categories listed below for each year indicated:

- Other (please describe)

13. Has the firm, its principals or any affiliate ever been the focus of a non-routine Securities and Exchange Commission inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self-regulatory body or organization, been a party to any litigation concerning fiduciary responsibility or other investment-related matters or been submitted a claim to its errors and omissions, fiduciary liability and/or fidelity bond insurance carrier(s)?

14. Does the firm, its principals, or any affiliate have any “strategic alliance” with any broker, investment management firm, or fund management company? If yes, please disclose with whom and describe the nature of the alliance.

15. Describe the firm’s relevant experience providing advisory services to large governmental and non-governmental retirement plan clients.

16. Please describe your firm’s experience helping clients through complex processes such as Department of Labor audits, Internal Revenue Service audits, voluntary compliance actions, partial plan termination determinations, plan mergers or spin-offs, plan terminations or corrective contributions.
17. Do any of your investment consultants have portfolio management or plan sponsor experience? Please give details.

18. Describe your firm’s approach to investment research. Please indicate relationships with researchers/academics outside of your firm.

19. What tools do you use to evaluate managers and the market? Did you develop these tools in-house or purchase them from a vendor?

20. Describe your firm’s performance reporting and evaluation services.

21. Describe how benchmarks are chosen or developed. Describe your custom benchmark capabilities.

22. Describe what differentiates your firm from other similar retirement or investment consulting firms.

23. How does your firm define and measure the success of retirement plan consulting relationships?

24. What does the firm consider to be the firm’s advisory specialties, strengths and limitations?

25. List the federal, state, and other regulatory agencies with which your firm is licensed or registered, and the type of licenses held. Indicate which employees are not registered or licensed, and why.

26. Have any individuals from your firm ever been disciplined by any government regulator for unethical or improper conduct or been sued by a client who was not happy with the work performed?

27. Has your firm or any advisor of your firm been found guilty of any violation or paid any fines because of violations of securities regulations or ERISA?

28. Is your firm bonded or insured? If so, to what amount?

29. Does your firm work with client plans on an advisory basis? Yes or No
   • If applicable, please provide a copy of both parts of your firm’s most recent SEC Form ADV.

30. Does your firm work with clients on a commission basis? Yes or No

31. Please provide a current list of representative clients, including not-for-profit clients.

32. Please list four reference clients similar to The Ohio State University in terms of size.

33. Provide the names of three (3) defined contribution public retirement plan clients for which the firm has provided investment advisory services. The market value of the assets held under each retirement plan must have been at least $1 billion in assets throughout the five (5) year period.

34. What public or private universities has your firm represented within the last five (5) years related to vendor selection?
B. YOUR SERVICE TEAM
1. Describe your service model for our plan (staff, responsibilities, interactions with our plan, frequency of in-person meetings, frequency of conference calls, team dynamics).

2. List the Primary Contact for our relationship and address the following questions:
   - Overall experience with employer-sponsored retirement plans:
   - Overall experience with state sponsored retirement plans:
   - Overall experience with alternative retirement plans:
   - Commitment to the retirement plans business:
   - Education, honors, designations and other credentials:
   - Regular activities to stay current on market and regulatory developments:
   - Areas of expertise:
   - Years with the firm:
   - Role at the firm:
   - Number of plans supported:
   - Average size of plans supported

3. Will the primary contact be the only person with whom we will be working? Yes or No
   If no, please list name(s), titles, contact information, and profile information for each person:
   - Overall experience with employer-sponsored retirement plans:
   - Overall experience with state sponsored retirement plans:
   - Overall experience with alternative retirement plans:
   - Education, honors, designations, and other credentials:
   - Area of expertise:
   - Years with the firm:
   - Role on the team serving our plan:
   - Number of plans supported:
   - Average size of plans supported:
   - Number of plans lost this year:

C. CONFLICTS OF INTEREST
Do you foresee any conflicts of interest with entities who may seek to be designated as vendors for Alternative Retirement Plans?

1. To aid in answering this question, here is a list of current vendors that may need to be reviewed: AXA/Equitable, Great American Life Ins. Co, VOYA Financial, Fidelity Investments, Lincoln Financial Group, Nationwide “Best of America”, TIAA-CREF, MetLife, VALIC

2. List potential conflicts of interest:
D. **APPLICATION**

Selected firm will create a model application, including, but not limited to, the criteria set forth in Chapter 3305 of the Ohio Revised Code for entities seeking designation as vendors for Alternative Retirement Plans, specifically section 3305.03 of the Ohio Revised Code. Include a list of items that your firm would include in the vendor application.

E. **FEES**

Responder should state how much it would charge for each review. The Chancellor asks that responders estimate the number of hours that would be required for a detailed review of each entity’s application to be designated a vendor and determine a flat fee the responder would charge for each review. The flat fee shall also include the cost of creating the application if there is any costs associated.

Please note that the contract between the chosen responder and the Chancellor will only allow for a flat fee to be charged per review, regardless of the time it takes to thoroughly conduct the review. Per 3305.031 institutions are permitted to request a meeting regarding a vendor’s application or review. If such meeting is requested, the applicant will be required to be present at the meeting. In this section, the applicant should also provide proposed fees for such meeting or specify the flat fee incorporates or includes one or more subsequent meetings.
Supplemental Information for Responders- 403(b)

The four year public universities in Ohio (Inter University Council- IUC), listed in Appendix A, seek a consultant to assist with a review and evaluation of current providers/brokers and a recommendation for provider/broker selection. The evaluation may include, but is not limited to the following: customer service, account management, investment fees, years of service and product offering. A recommendation for suggested items to review should be included in the response.

Responder should state how much it would charge for each provider review and full evaluation and recommendation. The IUC asks that responders estimate the number of hours that would be required for a detailed review of each entity’s application to be designated a vendor and determine a flat fee the responder would charge for each review. It should be noted that the budget for this RFP is estimated at $50,000 to $100,000. Potentially, one vendor could be selected for the ARP and 403(b) work.

1. Detail the expertise your firm provides as it relates to 403(b) plans for public employers.

2. Explain the expertise your firm provides as it relates to investment options under the 403(b) or similar types of plans that are qualified defined contribution plans under Internal Revenue Code 403(b), maintained by institutions of higher education.

3. Is the firm able to create an evaluation tool, review applicants and provide provider recommendations? If not, explain which services cannot be provided.

4. List a recommended criteria and/or items by which to evaluate the providers. Potential items for consideration are found in Appendix B.

5. List any potential of conflicts of interests with entities who may seek to be designated as vendors for the 403(b) plans. To aid in answering this question, below is a list of current vendors that may need to be reviewed: Ameriprise Financial, Aspire Financial Services, AXA/Equitable, FTJ Fund Choice, VOYA Financial, Fidelity Investments, Lincoln Financial Group, Metropolitan Life Insurance Co., Modern Woodman of America, Nationwide, T. Rowe Price Retirement Plan Services, The Legend Group, TIAA-CREF, VALIC, Vanguard

6. Provide four reference clients similar to The Ohio State University in terms of size.

7. What public or private universities has your firm represented within the last five (5) years related to 403(b) vendor selection?
Appendix A

IUC- Four Year Public Institutions
1. Bowling Green State University
2. Central State University
3. Cleveland State University
4. Kent State University
5. Miami University
6. The Northeast Ohio Medical University
7. The Ohio State University
8. Ohio University
9. Shawnee State University
10. University of Akron
11. University of Cincinnati
12. University of Toledo
13. Wright State University
14. Youngstown State University
Appendix B

Potential Items for Review and Evaluation of 403(b) Providers

**General Questions**

Years of providing 403(b) plan in Ohio and/or to public universities in Ohio.

Products available and associated fees.

Number and locations of representatives assigned to each university.

**Available services**

List the types of services your firm provides to plan participants.

List the types of services your firm provides to plan sponsors.

Do you offer advice/education? Please provide samples of available offerings.

Will you/do you provided an enrollment microsite for interested universities? Will this site be university branded and customized?

Please provide two specific examples ways in which your firm has made a positive impact on retirement plans you support over the past 24 months (for example: increased participation, increased deferrals, enhanced services, lowered fees).

Are you willing to meet with each university on an annual (or more frequent if requested) basis to review participant enrollment and distribution information, fees and the like?

Will you work with other selected vendors to create single document which will allow participants to compare all plan vendors and investment products and fees?

Please provide performance guarantee information (responsiveness to member and plan sponsor requests, accuracy of reporting, etc.).

What is your philosophy on member education and what tools/resources are available?

Explain how your company is forward thinking- what do you see as the biggest needs of the 403(b) marketplace.

**Administration**

What safeguards do you have in place to ensure funds are deposited into the correct account on a timely basis?

What limits monitoring reports do you have in place?

What is your practice for the return of funds?

What compliance practices do you have in place to ensure the plan meets IRS requirements?
Fees

How is your firm compensated for its services?

What percentage of your firm’s revenue is derived from commission relationships? Advisory relationships?

Please describe any and all fees for your services to our plan under this proposal.

Account Management

Describe the succession plan for the primary contact who will be working with the universities.

Describe your firm’s data security measures.

Describe your firm’s disaster recovery plans.