

CITY OF TUCSON

Deferred Compensation Management Board

REQUEST FOR PROPOSAL

Investment Consultant Proposal

AMENDMENT NO. One (1)

DATE ISSUED: Friday, September 13, 2019

The referenced document has been modified as per the attached Amendment No. One (1).

Please sign this Amendment where designated and return the executed copy with the submission of your proposal. This amendment is hereby made part of the referenced proposal as though fully set forth therein. Any questions regarding this amendment should be addressed to Art Cuaron (520) 837-4379 or art.cuaron@tucsonaz.gov

REQUEST FOR PROPOSAL AMENDMENT

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

RECORDKEEPER SERVICES

ITEM 1 Question and Answers: The Board has received the following questions. The questions, along with the Board responses, are as follows:

A. General Questions

1. **Is there any participant overlap of the 457 and the 401(a) plans? We are looking for the total number of unique SSN's in total.**

There are 4,107 unique participants.

2. **Will there be plan consolidation to one 457 and one 401(a) plan? Or will they continue as five separate plans?**

The City is open to each recordkeeper's recommendation.

3. **Can you provide the number of eligible employees for each plan?**

301512: 4,732 active employees

705608: 4,732 active employees

106302: 141 employees in first 90 days of employment as of 9/12/2019

107425: 4 employees as listed in the plan document

107715: 1 participant, not open to employees

4. **Can you provide the past three years of experience on the number of outstanding loans, new loans issued, QDRO's, lump sum distributions and in-service withdrawals?**

Plan 301512

Lump Sum Withdrawal: 1

Outstanding Loans 2016: 450 active loans

Outstanding Loans 2017: 411 active loans

Outstanding Loans 2018: 403 active loans

New Loan Issuances 2016: 182

New Loan Issuances 2017: 199

New Loan Issuances 2018: 196

QDRO 2016: 4

QDRO 2017: 6

QDRO 2018: 7

In-Service		
Required Minimum Distribution	2016	1
Required Minimum Distribution	2016	1
Required Minimum Distribution	2016	1
Required Minimum Distribution	2016	52

Required Minimum Distribution	2016	11
Required Minimum Distribution	2016	1
Required Minimum Distribution	2017	1
Required Minimum Distribution	2017	58
Required Minimum Distribution	2017	1
Required Minimum Distribution	2017	1
Required Minimum Distribution	2017	11
Required Minimum Distribution	2017	1
Required Minimum Distribution	2017	1
Required Minimum Distribution	2017	1
Required Minimum Distribution	2017	4
Required Minimum Distribution	2018	24
Required Minimum Distribution	2018	1
Required Minimum Distribution	2018	1
Required Minimum Distribution	2018	1
Required Minimum Distribution	2018	1
Required Minimum Distribution	2018	77
Required Minimum Distribution	2018	1

401 Plan 107715

New Loan Issuances: None

Outstanding Loans: None

QDRO: None

In Service: None

Lump Sum Withdrawal 1

401 Plan 106302

New Loan Issuances: None

Outstanding Loans: None

QDRO: None

In Service: None

Lump Sum Withdrawal	2016	2
Lump Sum Withdrawal	2016	1
Lump Sum Withdrawal	2016	1
Lump Sum Withdrawal	2016	1
Lump Sum Withdrawal	2016	1
Lump Sum Withdrawal	2017	1
Lump Sum Withdrawal	2017	1
Lump Sum Withdrawal	2017	1
Lump Sum Withdrawal	2017	1
Lump Sum Withdrawal	2018	2

Lump Sum Withdrawal	2018	2
Lump Sum Withdrawal	2018	1
Lump Sum Withdrawal	2018	1
Lump Sum Withdrawal	2018	2
Lump Sum Withdrawal	2018	2
Lump Sum Withdrawal	2018	1
Lump Sum Withdrawal	2018	2
Lump Sum Withdrawal	2018	2
Lump Sum Withdrawal	2018	1
Lump Sum Withdrawal	2018	2

401 Plan 107425

New Loan Issuances: None

Outstanding Loans: None

QDRO: None

In Service: 1

Lump Sum Withdrawal: None

5. What amount of onsite support do you currently receive? What amount would you want included in the bid?

The City received the following education last year:

- Retirement Plans Specialist 21 locations visited, Certified Financial Planner™ 6 locations visited.
- Retirement Plans Specialist 13 workshops, Certified Financial Planner-16 workshops.
- Retirement Plans Specialist - 362 one on one consultations, Certified Financial Planner™ - 64 one on one consultations

The City is open to each recordkeeper's recommendation.

6. What is the QDIA?

The Vantagepoint Milestone Funds are the QDIAs for the plans.

7. If there is a change in the recordkeeper, what is the expected date of the new contract?

The City is open to each recordkeeper's recommendation.

8. Is the city currently working with an independent consultant? What is the name of the consultant?

Yes, Innovest Portfolio Solutions LLC.

9. What is the price that ICMA-RC is charging for recordkeeping and administration?

See attached COPY CITY OF TUCSON SVC.

10. How many onsite days should we factor into our proposal?

The City is open to each recordkeeper's recommendation.

11. What is the anticipated implementation date?

The City is open to each recordkeeper's recommendation.

12. Has the put provision on the VantagePoint Plus Fund been exercised?

No.

13. Please provide the current managed account fee schedule.

0.40% on first \$100,00, 0.35% on next \$100,000, 0.25% on next \$300,000, and 0.00% on all assets over \$500,000.

14. Who currently provides self-directed brokerage services for the plan?

VantageBroker brokerage services are provided by TD Ameritrade, Inc.

15. Would you be able to send the Adoption Agreements for each plan including the IRA plan?

Please see COPY 401 Gov MP Plan and Trust, COPY 401 Gov MP Post EGTRRA Leg Reg Chgs, COPY 457 Plan and Trust (2018), COPY 457 Post EGTRRA Leg Reg Chgs, COPY CITY OF TUCSON ADOPT AGMTS, Copy Heart 401 Government Money Purchase Plan, HEART 457 Plan and Trust Amdmt, Copy ROTH 457 Amendment.

16. Please provide historical balances and cashflows for each 401(a) and 457 plan for the last 5 years.

The historical balances since 2017 are shown on pages 2 through 6 of City of Tucson Deferred Compensation Plan Management Board Request for Proposal.

17. For each plan – IRA, 401(a), 457 – please provide the investment options available for each plan as well as associated balances.

	8/31/2019				
	106302	107425	107715	301512	591512
Am Funds Cap World G&I	\$37,130.86	\$37,364.68	\$0.00	\$7,194,838.97	\$2,014.17
Buffalo Discovery	\$65,738.29	\$198,705.30	\$0.00	\$6,641,497.46	\$109,352.14
Goldman Sachs Global Income	\$19,964.62	\$0.00	\$0.00	\$888,176.67	\$0.00
Invesco Oppen Dev Markets	\$47,940.29	\$0.00	\$0.00	\$2,576,102.65	\$0.00
Invesco Oppen Intl Growth	\$14,949.96	\$0.00	\$0.00	\$890,968.13	\$0.00
JP Morgan Equity Income	\$72,387.88	\$0.00	\$0.00	\$11,966,006.85	\$40,244.37
JPMorgan Small Cap Cor	\$139,362.53	\$131,641.15	\$0.00	\$2,691,165.85	\$0.00
JPMorgan US Equity	\$61,966.10	\$0.00	\$0.00	\$4,266,957.64	\$26,446.88
Nuveen Real Est Sec	\$18,920.89	\$0.00	\$0.00	\$2,298,058.29	\$0.00
PIMCO High Yield	\$39,362.09	\$0.00	\$0.00	\$2,264,763.83	\$1,983.33
PIMCO Low Duration	\$0.00	\$6,364.76	\$0.00	\$423,529.51	\$0.00

PIMCO Real Return	\$12,452.43	\$0.00	\$0.00	\$1,312,872.21	\$20,345.46
PIMCO Total Return	\$96,435.45	\$0.00	\$0.00	\$4,433,387.53	\$22,125.14
T Rowe Price Growth Stock	\$134,040.38	\$0.00	\$0.00	\$20,009,588.30	\$18,529.68
T Rowe Price Per Strat Bal	\$13.63	\$0.00	\$0.00	\$7,931,251.07	\$35,093.09
T Rowe Price Per Strat Gth	\$114,203.77	\$0.00	\$0.00	\$14,310,476.62	\$0.00
T Rowe Price Pers Str Inc	\$105,676.93	\$0.00	\$0.00	\$2,518,438.08	\$0.00
T Rowe Price QM US Scap Gr	\$20,243.03	\$0.00	\$0.00	\$1,459,581.94	\$0.00
Vanguard 500 Index	\$59,099.53	\$0.00	\$0.00	\$16,083,394.78	\$30,482.61
Vanguard Mid-Cap Index	\$35,040.30	\$0.00	\$0.00	\$6,702,759.96	\$14,329.92
Vanguard Small-Cap Idx	\$14,070.46	\$0.00	\$0.00	\$4,820,319.26	\$21,399.35
Vanguard Ttl Bond Idx	\$2,357.25	\$0.00	\$0.00	\$5,542,782.32	\$10,980.67
Vantage Broker	\$0.00	\$0.00	\$0.00	\$4,220,261.68	\$0.00
Vantagepoint Milestne 2010	\$126,999.25	\$0.00	\$0.00	\$1,045,317.79	\$0.00
Vantagepoint Milestne 2015	\$42,130.25	\$65,831.18	\$0.00	\$1,138,288.29	\$0.00
Vantagepoint Milestne 2020	\$156,683.70	\$0.00	\$0.00	\$3,214,658.42	\$0.00
Vantagepoint Milestne 2025	\$0.00	\$0.00	\$0.00	\$2,450,448.88	\$0.00
Vantagepoint Milestne 2030	\$195,096.96	\$47,319.86	\$0.00	\$2,821,561.97	\$0.00
Vantagepoint Milestne 2035	\$0.00	\$0.00	\$0.00	\$2,834,252.65	\$0.00
Vantagepoint Milestne 2040	\$0.00	\$0.00	\$0.00	\$1,766,262.03	\$0.00
Vantagepoint Milestne 2045	\$434,937.01	\$0.00	\$0.00	\$1,211,411.52	\$0.00
Vantagepoint Milestne 2050	\$12,138.82	\$0.00	\$0.00	\$236,307.12	\$0.00
Vantagepoint Milestne 2055	\$0.00	\$0.00	\$0.00	\$117,814.19	\$0.00
Vantagepoint MP Gbl Eq Gr	\$50,462.86	\$0.00	\$0.00	\$3,406,552.04	\$0.00
Vantagepoint MS Ret Income	\$406,923.32	\$0.00	\$0.00	\$1,078,414.99	\$18,221.83
Vantagepoint PLUS Fund	\$3,296,794.19	\$172,890.44	\$119,828.99	\$95,106,152.30	\$787,673.66
Victory Sycmr Est Value	\$0.00	\$0.00	\$0.00	\$1,376,371.65	\$1,402.11
Victory Sycmr Small Co Opp	\$339.42	\$0.00	\$0.00	\$699,979.38	\$0.00
VT BOA 5 Yr CD	\$0.00	\$0.00	\$0.00	\$6,120.40	\$0.00
VT Cash Management	\$0.00	\$0.00	\$0.00	\$865,963.36	\$0.00
VT Contrafund	\$156,201.91	\$0.00	\$0.00	\$16,918,292.35	\$132,780.29
VT Diversifid International	\$102,219.52	\$0.00	\$0.00	\$4,386,200.31	\$0.00
VT Retirement Income Advantage	\$0.00	\$0.00	\$0.00	\$4,480,671.07	\$0.00
Total	\$6,092,283.88	\$660,117.37	\$119,828.99	\$276,608,220.31	\$1,293,404.70

18. Can participants transfer assets between City of Tucson plans (ex. From 401(a) to 457)?

Participants may not transfer assets between City plans “at will” but ICMA-RC will transfer participant assets from one City plan to another upon plan sponsor written direction.

19. Who is eligible to invest in the IRA plan?

The Roth IRA is open to all active employees.

20. Please indicate personnel/department type(s) that are eligible for the three 401(a) and two 457 plans.

See the eligible populations by plan number below:

301512 – All active employees

591512 – Beneficiary plan

106302 – All active employees

107425 – Employees as listed in the plan document

107715 – Not open. Only member is former City Attorney (appointed with contract)

21. The RFP shows the three 401(a) plans and one 457 (Plan # 591512) that have a very low number of active participants and/or a high number of inactive/terminated participants. Can more background be provided on why the demographics appear as such for these plans?

591512 is a beneficiary plan

106302 is only open to employees during their first 90 days of employment

107425 plan document must be amended to increase membership

107715 plan is not open for enrollment

22. Do the three 401(a) and two 457 plans have the same EIN; Plan Sponsor; Entity/Decision making body?

All plans fall under the same Committee.

23. Please provide the current service agreements with each provider.

See attached COPY CITY OF TUCSON SVC.

24. Please provide a list of any ancillary fees that are currently being charged to the plan and or its participants. i.e) QDRO's, financial advice, etc.

Adding a New Fund to Your Investment Platform	No set, specific “fund addition” cost.
Each Additional On-Site Participant Education Day	If any, mutually agreed-upon by plan sponsor and ICMA-RC
Custom Client Branded Communication and Education Materials	None.
Holistic Financial Planning Services	ICMA-RC offers the preparation and delivery of a written financial plan as follows: Goal-Specific Financial Plan – \$175; waived for participants with balances over \$100,000 once annually. Comprehensive Financial Plan – Free for participants with minimum \$200,000 balance once annually. Otherwise \$450 per financial plan.

Loan Origination, Refinance, Reamortization	\$75 per application
Annual Loan Maintenance Fee	\$50 annual fee
Other Loan Fees	None
Hardship Approval and Processing	No charge
Qualifying and Processing DROs	Qualifying no charge; processing \$250 per divorce
Distribution Check	None
ACH	None; ACH reject fee – \$20 for the first incident and \$50 for subsequent incidents for ACH returns due to insufficient bank funds, invalid bank account, or account closed.
Wire Transfer	A \$15 participant fee will apply for each outgoing wire transfer requested by a participant. Should our processing bank, increase the wire fees during the contract period, the increased fee will be charged to the participant accordingly.
Overnight Delivery	Varies by delivery address
Managed Account Fees	0.40% on first \$100,000 0.35% on next \$100,000 0.25% on next \$300,000 0.00% on All assets over \$500,000 (Managed Account fees are annualized)
Self-Directed Brokerage Fees	\$50 one-time setup fee [see PDF attached]
Creation of Required Annual Notices	None
Mailing of Required Notices	None
Creation of Fund Change Notices	None
Mailing of Fund Change Notices	None
Mailing of Participant Statements	None
One-Time Costs Related to the Transition of Plan	None
Recordkeeping Contract Termination Fees	Market Value Adjustment(s): None
Special Project Fees	If any, mutually agreed-upon by plan sponsor and ICMA-RC
Other Fees (list)	None

25. Please provide a sample of the current contribution file feed that the plan uses today. Please provide data definitions as well as field level definitions for the file.

The City does not have a sample contribution file to include in the Q&As at this time.

26. What is the current timing for the City's payroll? How often does the City send payroll files to the current provider? Does the City centralize its payroll?

