City of Norwich

Department of Finance – Purchasing Agent
100 Broadway, Room No. 105
Norwich, CT 06360

Phone: (860)823-3706
Fax: (860)823-3812
E-mail: whathaway@cityofnorwich.org

ADDENDUM

RFP No.: 20-09 **Addendum No.: 1** **Issued: October 18, 2019**

Opening Date and Time: October 31, 2019 at 2:00 P.M.

Title: Investment Fee Audit Services

Bidders Note

This Addendum is issued to provide all bidders with responses to the Requests for Information.

All other terms and conditions remain the same.

City of Norwich

Department of Finance – Purchasing Agent
100 Broadway, Room No. 105
Norwich, CT 06360

Phone: (860)823-3706
Fax: (860)823-3812
E-mail: whathaway@cityofnorwich.org

RFP No.: **20-09**
Project: **Investment Fee Audit Services**

Responses to Requests for Information

Question 1: **Is it possible to provide the mutual fund ticker symbols, or CUSIPS?**
Response 1:

Pension Fund

Name	***Ticker***
Vanguard 500 Index Admiral	*VFIAX*
ClearBridge Large Cap Growth SMA	*N/A - Separately Managed Account*
MFS® Large Cap Value (SMA)	*N/A - Separately Managed Account*
Vanguard Equity-Income Adm	*VEIRX*
Eagle Mid Cap Growth Retail	*N/A - Separately Managed Account*
Kayne Anderson Rud Small Cap Core Wrap	*N/A - Separately Managed Account*
NFJ Small Cap Value MA	*N/A - Separately Managed Account*
Lazard Intl Equity Select w/ EM ADR SMA	*N/A - Separately Managed Account*
Delaware International Equity ADR (SMA)	*N/A - Separately Managed Account*
Bradford Marzec Core Plus	*N/A - Separately Managed Account*
Western Asset Core Plus SMA	*N/A - Separately Managed Account*
RNC Genter Short Term Taxable Quality	*N/A - Separately Managed Account*
Fidelity Mid Cap Index	*FSMDX*
Capital Group	*N/A - Separately Managed Account*
PRISA LP	*N/A - Limited Partnership*

OPEB Fund

Name	***Ticker***
Vanguard 500 Index Admiral	*VFIAX*
ClearBridge Large Cap Growth SMA	*N/A - Separately Managed Account*
MFS® Large Cap Value (SMA)	*N/A - Separately Managed Account*
Vanguard Equity-Income Adm	*VEIRX*
Eagle Mid Cap Growth Retail	*N/A - Separately Managed Account*
Kayne Anderson Rud Small Cap Core Wrap	*N/A - Separately Managed Account*
NFJ Small Cap Value MA	*N/A - Separately Managed Account*
Lazard Intl Equity Select w/ EM ADR SMA	*N/A - Separately Managed Account*
Delaware International Equity ADR (SMA)	*N/A - Separately Managed Account*
Bradford Marzec Core Plus	*N/A - Separately Managed Account*
Western Asset Core Plus SMA	*N/A - Separately Managed Account*
RNC Genter Short Term Taxable Quality	*N/A - Separately Managed Account*
Fidelity Mid Cap Index	*FSMDX*

Capital Group	*N/A - Separately Managed Account*

Volunteer Firefighters' Relief Fund

Name	***Ticker***
American Funds Capital World Bond R4	*RCWEX*
Columbia Contrarian Corefd Cl Adv	*CORRX*
Dodge & Cox Income Fd	*DODIX*
Fidelity Adv Real Estate Inc Cl I	*FRIRX*
Fidelity Total Bd	*FTBFX*
MFS Intl Diversification Cl R6	*MDIZX*
Neuberger Berman Strat Inc I	*NSTLX*
Pimco Fds Incm Fd I2	*PONPX*
Pimco Intl Bd Us Dollar Hedged I 2	*PFBPX*
Pimco Investment Grade Cr Bd I2	*PBDPX*
Pioneer Strategic Income Fd Cl Y	*STRYX*
Russell Equity Income	*RLISX*
Russell Strategic Bond S	*RFCTX*
Russell Us Small Cap Eqty Fd Cl S	*RLESX*
Russell Us Strategic Eqty Cl	*RSESX*
Schwab Fundamental Us Lrge Co Index	*SFLNX*
Schwab Intl Index Fd	*SWISX*
Schwab S&P 500 Index Fund - Select S	*SWPPX*
Schwab Small Cap Index Select	*SWSSX*
T Rowe Price Emerging Mkts Stk Fd	*PRMSX*
Vanguard Dividend Growth Fund Inv	*VDIGX*
Vanguard Emrg Mkts Stk Index Fd Adm	*VEMAX*
Vanguard Growth Index Fd Admiral	*VIGAX*
Vanguard Mid Cap Index Fund Admiral	*VIMAX*
Schwab Bank Savings	*RBS1CSBS*

Cemetery Trust

Most of the Cemetery Trust's investments are in individual stocks and bonds.

Question 2: **Share class designations have not been provided for the Pension Fund and Other Postemployment Benefits Fund holdings. Please provide the share class designations.**

Response 2: *See Question 1*

Question 3: **Can you provide the same holdings information for the Volunteer Firefighter's Relief Fund (Partial (share classes listed) and the Cemetery Trust Fund?**

Response 3: *See Question 1*

Question 4: **In addition to Comerica Bank and UBS Princeton-Hartford Investment Consulting, please provide the names of the other advisory or consulting parties providing services to the Pension, OPEB, VFFRF and/or Cemetery Trust funds. For each such party, please describe the nature of the services provided by such party.**

Response 4:

Pension Fund

- *Custodian – Broadridge Matrix (fka Wilmington Trust) was the custodian until October 2017. At that point, custody was moved to Comerica.*
- *Trustee – Comerica was added as a trustee in October 2017. Broadridge Matrix served as a trustee prior to that.*
- *Actuary – Hooker & Holcombe served as the actuary until July 2018. Milliman served as the actuary starting in July 2018.*
- *Investment Consultant – UBS Princeton-Hartford Investment Consulting has been the non-discretionary investment advisor since 2008. The City has amended the agreements with UBS a few times during this period.*
- *Investment Managers – Please see Question 1 for a list of the current funds and investment managers.*

<u>OPEB Fund</u>

- *Custodian – Comerica has been the custodian since 2010. The City amended its agreement with Comerica in October 2017.*
- *Trustee – Comerica has been the trustee since 2010. The City amended its agreement with Comerica in October 2017.*
- *Actuary – Hooker & Holcombe served as the actuary until July 2018. Milliman served as the actuary starting in July 2018.*
- *Investment Consultant – UBS Princeton-Hartford Investment Consulting has been the non-discretionary investment advisor since 2010. The City has amended the agreements with UBS a few times during this period.*
- *Investment Managers – Please see Question 1 for a list of the current funds and investment managers.*

<u>Volunteer Firefighters' Relief Fund</u>

- *Custodian – Charles Schwab has been the custodian since 2008.*
- *Trustee – No firm serves as a corporate trustee.*
- *Actuary – Hooker & Holcombe served as the actuary until July 2018. Milliman served as the actuary starting in July 2018.*
- *Investment Consultant – Hooker & Holcombe Investment Advisors has been the non-discretionary investment advisor since 2008.*
- *Investment Managers – Please see Question 1 for a list of the current funds and investment managers.*

<u>Cemetery Trust Fund</u>

- *Custodian – Dime Bank has been the custodian since 2013.*
- *Trustee – Dime Bank has been the trustee since 2013.*
- *Actuary – Not applicable*
- *Investment Consultant – Mystic Asset Management has been the discretionary investment manager since 2013.*
- *Investment Managers – Mystic Asset Management has been the discretionary investment manager since 2013.*

Question 5: What is the anticipated commencement date for the project?
Response 5: December 1, 2019

Question 6: What date do you expect the project to be completed?
Response 6: February 14, 2020

Question 7: During the period from July 1, 2016 through December 31, 2019, were there any changes in the:

a. **Trustees and custodians?**
b. **Investment advisor?**
c. **Investment funds when compared to the investment funds held by each fund as of September 30, 2019?**
d. **If so, please provide details.**

Response 7: See Question 4 for a. and b.

c. Changes in investment funds since July 2016

Pension

- *October 2016 - Sold NFJ International and used funds to invest an equal amount in Lazard Asset Management and Delaware Investment Advisors*
- *January 2017 – Sold Westfield Large Growth and used funds to invest in ClearBridge Large Cap Growth*
- *April 2018 – Decreased investments in MFS Value, ClearBridge Large Cap Growth, and Eagle Mid Growth and increased investments in Lazard International and Delaware International.*
- *January 2019 – Reduced ClearBridge Large Cap Growth, eliminated Neuberger Berman International, increased RNC Genter Quality Short Term, and added Capital Group.*
- *April 2019 – Replaced Vanguard Selected Value with Fidelity Mid Cap Index.*
- *July 2019 – Moved $7 million from Bradford Marzec, MFS Value, Lazard International, Delaware International, and NFJ Small Value into Prudential's PRISA Core Fund.*

OPEB

- *October 2016 - Sold NFJ International and used funds to invested an equal amount in Lazard Asset Management and Delaware Investment Advisors*
- *January 2017 – Sold Westfield Large Growth and used funds to invest in ClearBridge Large Cap Growth*
- *April 2018 – Decreased investments in MFS Value, ClearBridge Large Cap Growth, and Eagle Mid Growth and increased investments in Lazard International and Delaware International.*
- *January 2019 – Reduced ClearBridge Large Cap Growth, eliminated Neuberger Berman International, increased RNC Genter Quality Short Term, and added Capital Group.*
- *April 2019 – Replaced Vanguard Selected Value with Fidelity Mid Cap Index.*

Volunteer Firefighters' Relief Fund

- *November 2016 – Reduced investments in Russell US Core Equity I, Russel US Strategic Equity S, Russel International Developed Markets I, Russell Emerging Markets S. Increased investment in Russell Short Duration Bond S. Added investments in Vanguard Growth Index Inv., Schwab Fundamental US Large Company Index, Schwab International Index, Vanguard Emerging Markets Stock Index Inv., Metropolitan West Unconstrained Bond I.*
- *June 2017 – Changed from a 50/50 portfolio to a 60/40 portfolio. Reduced/ eliminated investments in Metropolitan West Unconstrained Bond I, Western Asset Total Return Unconstrained I, Russell Inv Short Duration Bond S, Russell Inv Strategic Bond S, Russell Inv US Core Equity I, Russell Inv US Strategic Equity S, Schwab S&P 500 Index, Neuberger Berman Strategic Income I, PIMCO Income P, Pioneer Strategic Income Y,Schwab Small Cap Index, PIMCO Foreign Bond (USD hedged) P, and Russell Inv Global Equity S. Increased/ added investments in PIMCO Investment Grade Corp Bond P, T. Rowe Price Emerging Markets Stock, Schwab International Index, Dodge & Cox Income, Columbia Contrarian Core Z, Fidelity Real Estate Income, Vanguard Mid Cap Index Admiral, Schwab Small Cap Index, Loomis Sayles Global Bond Retail, and Schwab Government Money.*
- *November 2018 – Reduced T. Rowe Price Emerging Markets, Russell Inv Strategic Bond, PIMCO Corporate Grade Credit Bond, American Funds Capital World Bond, and Loomis Sayles Global Bond Retail. Increased Fidelity Total Bond.*
- *April 2019 – Reduced PIMCO Investment Grade Credit Bond I-2, T. Rowe Price Emerging Markets Stock, Russell Inv International Developed Markets S, Columbia Contrarian Core Adv, Russell Inv Equity Income S, Russell Inv US Strategic Equity S, Loomis Sayles Global Bond Retail, and Russell Inv Global Equity S. Increased MFS International Diversification R6, Fidelity Total Bond Fund, Schwab S&P 500 Index.*
- *August 2019 – Replace Russell Inv Equity Income and Russell Inv US Strategic Equity Funds with Vanguard Dividend Appreciation Index.*

Cemetery Trust

Most of the Cemetery Trust's investments are in individual stocks and bonds. Changes are made frequently.

Question 8: Please describe the type of report that was issued during the previous investment fee audit (for example, letter report; agreed-upon procedures report; etc.).

Response 8: The last investment fee audit was performed in 2006/2007. It consisted of the calculation of discrepancies and presentation of the findings to the Personnel & Pension Board. The deliverable from this RFP should be a letter that addresses at least the items in the Scope of Services.