

December 16, 2019

Re: Request for Qualification

Fiduciary Investment Advisors (FIA) on behalf of the Town of Simsbury, is conducting a Request for Qualifications (RFQ) Project for the Town of Simsbury's Retirement Plans. We would like to invite your firm to submit a response.

Included with this letter is a document titled "Request for Qualification (RFQ) for the Town of Simsbury 457 Retirement Plan, Town of Simsbury BOE Retirement Plan and Town of Simsbury 401(a) Retirement Plan." This letter along with that document is the full RFQ request and is herein referred to as such.

The RFQ is being issued to request proposals to provide retirement plan recordkeeping and administrative services (both plan level and participant level, including communication and education) to Town of Simsbury.

Information and Guidelines for this RFQ are more fully described in the RFQ document **Part I**. Additionally, Plan specific information to aid you in preparing your responses, can be found in **Exhibit A**.

Exhibit B and Exhibit C includes a Questionnaire. All questions should be answered in the order in which they are asked. **Please include Exhibit C: Fees and Required Revenue, as a separate and sealed response to the RFQ.**

Responses to the Questionnaire are due **January 8, 2020 at 1:00 PM** and must be submitted via e-mail. Late submissions will not be considered.

FIA and the Town of Simsbury look forward to receiving your responses and learning more about your firm and capabilities. If you have any questions as you prepare your responses, please contact the Designated Contact Person named at the end of this letter.

Ms. Amy Meriwether
Finance Director/Treasurer for the Town of Simsbury
933 Hopmeadow Street, Simsbury, CT 06070

**Request for Qualification
(RFQ)**

For

**Town of Simsbury 457 Retirement Plan
Town of Simsbury BOE Retirement Plan
Town of Simsbury 401(a) Retirement Plan**

Fiduciary Investment Advisors, LLC
100 Northfield Drive
Windsor, CT 06095
(866) 466-9412



Town of Simsbury – Draft Request for Proposal Project (RFQ) Timeline

- I. **December 16th, 2019**
 - ✓ Issue RFQ request to Service Providers
- II. **December 20th, 2019**
 - ✓ Questions about RFQ Due
- III. **January 8th, 2019**
 - ✓ RFQ responses due
- IV. **Week of March 2nd, 2020**
 - ✓ RFQ Analysis presented to Committee
 - ✓ Finalist candidates selected
- V. **Weeks of March 23rd and March 30th, 2020**
 - ✓ Interviews conducted
 - ✓ Service Provider selected

The timeline is approximate and subject to revision.

RFQ
Town of Simsbury

Part I: Information & Guidelines

The Questionnaire is included as **Exhibit B and Exhibit C** of this RFQ and is due to the Designated Contact Person by **January 8, 2020 at 1:00 PM**. Late submissions **WILL NOT** be considered and all questions should be answered in the order they are asked. **The Cost Proposal shall be in a separate file marked "Confidential: Cost Proposal"**.

All questions to the RFQ must be submitted by December 20, 2019 at 1:00pm.

Guidelines for Responding to the RFQ

The guidelines for responding to the RFQ are set forth below. Please review them carefully.

1. NO IMPLIED OFFER

The issuance of this RFQ does not imply that Town of Simsbury is making an offer to do business with any recipient or respondent nor does it create any obligation upon the Town of Simsbury to purchase services from or enter into any binding legal relationship with any recipient or respondent. No agreement or other binding obligation of the Town of Simsbury is implied or will arise unless and until a definitive service agreement is executed by both parties. The Town of Simsbury reserves the right not to act at all on the information produced in response to its RFQ and/or to do or not to do business with any firm.

2. CONFIDENTIALITY

This RFQ (which term shall be interpreted to include all appendices and attachments, and any other information or data provided or obtained pursuant to or in connection with this process) and the Town of Simsbury's entire evaluation shall be deemed the proprietary and confidential information of the Town of Simsbury.

Firms shall use the information provided in the RFQ process for the sole purpose of preparing their response thereto. Any reproduction of any part of the RFQ letter or document by photographic, electronic or other means is permitted only for such purpose. Any other use, reproduction, disclosure or distribution of all or any part of this RFQ process, without the prior written consent of the Town of Simsbury, is prohibited.

If a firm elects not to submit a proposal in response to this RFQ, or if a firm is notified that it is removed from consideration, then the firm will securely dispose of all Town of Simsbury proprietary and confidential information forming part of or provided in connection with this RFQ, as well as the firm's notes, memoranda, summaries or other writings relating to the Town of Simsbury (including, but not limited to electronic communications).

Firms shall not disclose this RFQ or any portions of the information contained herein to any third party or publicize any details of this RFQ. Firms shall restrict distribution of this RFQ to employees on a “need to know basis,” will inform such employees of the confidential nature of this RFQ and shall ensure their compliance with the confidentiality requirements set out herein.

3. **DUE DILIGENCE**

This RFQ is intended to provide firms with enough information to prepare their responses, but it is the firm's responsibility to obtain any additional information deemed necessary for the firm to meet its obligations under the terms of this RFQ.

4. **COSTS**

Firms are responsible for all costs of preparing and submitting their proposals, and any other activity associated with the RFQ, including the evaluation of the proposal, presentations, meeting attendance, contract negotiations, etc. regardless of whether or not the Town of Simsbury enters into a definitive agreement with the firm. Each firm waives any right to claim damages of any nature whatsoever, based on the RFQ process, on communications associated with the RFQ process, or on the Town of Simsbury’s final selection or non-selection of a firm.

5. **RESPONSES**

Proposals must be submitted electronically to the Designated Contact Person by the date indicated in the materials. Responses and proposals, once submitted, can be withdrawn upon written notice to the Town of Simsbury.

6. **RESPONSE PROCESS AND RIGHT TO AMEND**

The Town of Simsbury reserves the right at any time or for any reason during the RFQ process, at its sole discretion, to amend, supplement, terminate, waive, negotiate or otherwise change the requirements identified in this RFQ and/or the expected timeline. Any such change will be communicated to all firms via email.

7. **RIGHTS OF FIA and the Town of Simsbury**

FIA and the Town of Simsbury may:

- Reject any or all proposals by firms.
- Withdraw any invitation to a firm to submit a proposal.
- Conduct any further due diligence deemed appropriate as part of this RFQ.
- Agree to all or none of the Services that have been offered by a firm, without providing reasons why.
- Establish any and all evaluation criteria for the firm proposal submitted in response to this RFQ.
- Take any other actions it deems proper in relation to this RFQ process.

8. **FIRM OBLIGATIONS**

Firms must adhere to communicated milestone dates. Late submissions **WILL NOT** be considered. Responses to the RFQ must address all requests as defined in the RFQ. Firms may provide additional information as long as all requests outlined in the RFQ are also met.

Exhibit A: Plan Information

Plan Information:	
Name and type of plan (401(k), profit sharing, money purchase, thrift/savings, combination, etc.)	Town of Simsbury 457 Retirement Plan Town of Simsbury BOE Retirement Plan Town of Simsbury 401(a) Retirement Plan
Who has investment direction for employee and employer contributions? (Plan Sponsor, Trustee, or Participant)	Participant
Type of plan document? (Prototype or Individually designed)	Prototype
Total number of unique participants	457 – Total - 151 BOE – Total - 79 401(a) – Total - 5

Plan Operational Information:	
Name of current recordkeeper(s)	MassMutual
Name of current custodial trustee(s) (External or Self-directed)	MassMutual
Name of payroll company	Payroll is in-house
Are contributions submitted through a single payroll or multiple? If multiple, how many?	Multiple, 52
Frequency of data remittance	Weekly
Method of data remittance (Paper, Disk, Tape, Modem, Online)	Online
Method of contribution remittance (Check, Bank Wire, Automated Clearing House)	Check
Participant Loan Information	457 Plan only, max 1 loan at a time. As of 9/30/19, there are 13 outstanding loans with a total balance of \$98,400.

Plan Investment Information:	
Amount of existing assets as of 9/30/19	457 – Total - \$12,154,780 BOE – Total - \$526,907 401(a) – Total - \$286,951
Amount of assets subject to liquidity restraints as of 9/30/19	457 – Total - \$811,925 BOE – Total - \$282,821 401(a) – Total - \$85,710

Plan Contribution Information: 457 Retirement Plan	
2018	Total Contributions: \$491,948 Total Distributions: \$597,977 Net Cash Flow: -\$106,029
2019 YTD	Total Contributions: \$376,933 Total Distributions: \$85,697 Net Cash Flow: \$291,236
Number of active participants with a balance (as of 9/30/19)	135
Number of terminated participants with a balance (as of 9/30/19)	16

Plan Contribution Information: BOE Retirement Plan	
2018	Total Contributions: \$133,483 Total Distributions: \$1,174 Net Cash Flow: \$132,309
2019 YTD	Total Contributions: \$95,444 Total Distributions: \$2,574 Net Cash Flow: \$92,870
Number of active participants with a balance (as of 9/30/19)	79
Number of terminated participants with a balance (as of 9/30/19)	0

Plan Contribution Information: 401(a) Retirement Plan	
2018	Total Contributions: \$95,568 Total Distributions: \$24,764 Net Cash Flow: \$70,804
2019 YTD	Total Contributions: \$93,387 Total Distributions: \$17,228 Net Cash Flow: \$76,159
Number of active participants with a balance (as of 9/30/19)	20
Number of terminated participants with a balance (as of 9/30/19)	5

Fund Name	457 Plan
General Account	\$2,817,338
BNY Mellon Bond Market Index Inv	\$111,618
Western Asset Core Plus Bond FI	\$243,399
Templeton Global Bond A	\$29,852
MFS Value Fund R3	\$811,925
BNY Mellon S&P 500 Index	\$3,398,356
T. Rowe Price Growth Stock Adv	\$2,112,364
AllianceBern Discovery Value A	\$311,835
BNY Mellon MidCap Index	\$50,101
Eaton Vance Atlanta Capital SMID-Cap A	\$556,769
BNY Mellon Small Cap Stock Index	\$103,983
Hartford International Opportunities HLS IA	\$251,240
T. Rowe Price Retirement Balanced R	\$0
T. Rowe Price Retirement 2010 R	\$0
T. Rowe Price Retirement 2020 R	\$75,146
T. Rowe Price Retirement 2030 R	\$765,967
T. Rowe Price Retirement 2040 R	\$129,274
T. Rowe Price Retirement 2050 R	\$385,613
Grand Total	\$12,154,780

Fund Name	401(a) Plan	BOE Plan
General Account	\$85,710	\$282,821
BNY Mellon Bond Market Index Inv	\$0	\$3,698
Western Asset Core Plus Bond FI	\$0	\$696
Templeton Global Bond A	\$1,908	\$8,022
MFS Value Fund R3	\$565	\$17,106
BNY Mellon S&P 500 Index	\$4,625	\$54,844
T. Rowe Price Growth Stock R	\$4,274	\$26,731
AllianceBern Discovery Value A	\$75	\$9,552
BNY Mellon MidCap Index	\$794	\$20,763
Eaton Vance Atlanta Capital SMID-Cap A	\$4,242	\$15,700
BNY Mellon Small Cap Stock Index	\$1,241	\$10,827
Hartford International Opportunities R4	\$1,711	\$10,553
T. Rowe Price Retirement Balanced R	\$0	\$931
T. Rowe Price Retirement 2010 R	\$0	\$0
T. Rowe Price Retirement 2020 R	\$8,104	\$2,625
T. Rowe Price Retirement 2030 R	\$11,929	\$24,288
T. Rowe Price Retirement 2040 R	\$40,760	\$32,251
T. Rowe Price Retirement 2050 R	\$121,012	\$5,501
Grand Total	\$286,951	\$526,907

Source: MassMutual as of 9/30/19

Exhibit B: Additional Questionnaire

Organization and History:

1. Where is your plan headquarters located and where will the administration for the plan be located?
2. Describe your commitment to the governmental market.
3. What do you consider your major advantage(s) in this market and why?
4. How many years has your company has provided record-keeping administration for government plans?
5. How many of your employees work on deferred compensation governmental plans? Provide breakdown by functional area (operations, compliance, call center, client relationship, sales, communication, education, etc.).
6. Please provide a breakdown of the government plans you currently administer into the following categories:

Number of Employees	Total Number of 457 Plans	Total Number of 401(a) Plans	Total Gov. Plan Administered	Total Plans Administered (Gov. & other)
Under 100				
100-499				

Total Assets	Number of 457 Plans	Number of 401(a) Plans	Total Gov. Plan Administered	Total Plans (Gov & other)
a. Less than \$5MM				
b. Between \$5MM and \$25MM				

Client Service/Quality Assurance:

1. Please describe the team that would deal directly with The Town of Simsbury during the transition and on an ongoing basis. Indicate staff size, location, and experience and turnover rates. On an ongoing basis, would the plan be serviced by a group or assigned to a specific individual?
2. What is the number of clients and plans managed by the plan relationship manager proposed for this plan?
3. What are your total defined contribution and deferred compensation plan client retention rate for the last 3 years?
4. What is your municipal client retention rate for the last 3 years?
5. What is your average client tenure?
6. What is your average municipal client tenure?
7. For those who left, what percentage left due to issues pertaining to services provided by your organization?
8. Do you have other municipalities similar in size to the Town of Simsbury? If so, how many?
9. Do you provide a client service guarantee? If so, please describe.

Transactions:

1. Describe in detail your method of processing Unforeseen Circumstance Distributions.
2. Describe in detail your process for approving and processing QDROs.
3. Do you have paperless loan capabilities? If so, describe.
4. How do you handle delinquent and/or defaulted loans?
5. Do you have paperless enrollment capabilities? If so, describe.
6. Can your system support automatic enrollment?
7. Can your system support contribution automatic escalation on a plan and participant level?
8. Can you notify participants directly, or automatically, of RMDs?
9. Please describe the process if the Town decided to add automatic enrollment to the plan(s). What is required for the request, how long is the process to add it to the plan, and how would it work for participants?
10. On your prototype plan document can automatic enrollment be turned on for certain classes of employees (various union groups)?

Reporting:

1. Describe any customized or ad hoc reporting capabilities, including Internet capabilities.
2. Describe your standard participant level statements and documents (provide samples).
3. Describe your customization capabilities for participant level statements.
4. What is the standard timeframe for providing each report after the reporting period ends?
5. Are there any other reporting capabilities within your system not covered above?

Internet Access:

1. Describe your website authentication process.
2. Is your website fully accessible without performance compromises for those participants who are using non-Windows based operating systems like Mac and browsers other than Internet Explorer (e.g. Firefox)?

3. Describe the account services and transaction capabilities available through your participant website.
4. How are website transactions processed and documented?
5. Are there any transactions that cannot be processed through your website?
6. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
7. Please identify your website account access and transactional availability statistics (average availability per month as a percentage).

Call Center:

1. Please describe your call center (including VRS) authentication process.
2. Please identify your toll-free service center standards. Please include an average for the last calendar year statistics related to actual performance.
 - a. Number of calls
 - b. Average length of calls
 - c. Average response time
 - d. Percentage of calls requiring follow-up
 - e. Call abort rate
 - f. Percentage of incoming calls totally handled via VRS versus toll-free live service center representative assistance
 - g. Percentage of service requests handled via website versus call center and VRS
3. How many call center representatives do you have dedicated to retirement plans?
4. Where are the representatives that handle calls located?
5. Describe any reporting you can provide to the Town regarding the types of calls received that will help them determine their participant's needs.
6. Is the phone system menu driven?
7. What hours can you reach a live representative?
8. Is the call center menu based?
9. How long does it take to reach a live representative?

Communication and Education:

1. Describe your background and experience in providing communication and education programs. How do you measure the effectiveness of your programs? What are the results?
2. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). If the program is tailored to a specific plan sponsor need, identify the critical issues to be determined in designing such a program.
3. Do you provide enrollment kits? How are they delivered?
4. Do you generate termination packages for termed participants?
5. Do you provide communication and education material in a foreign language? If so, what language(s) and what material?
6. Describe your position on providing investment advice to participants.
7. If advice is offered, is it in-house or via a third party? Describe your process, mode and scope of advice. Please include fees for this service in your fee quote.
8. Is the advice web based?
9. Please describe your ability to offer managed accounts to participants. Who is the underlying provider of the managed account service? Please include fees for this service in your fee quote.

10. Describe education tools or programs designed to support IRA rollovers and/or retirement distributions.
11. Do you provide personalized communication materials with recommendations specific to each participant?
12. Do you provide targeted communication campaigns?
13. Do you have a mobile app? Is it available to both android and iPhone users?
14. Please describe your ability to continue the Town's experience of weekly in person education for their participants. Please include fees for this service in your fee quote.
15. What hours are your educators able to meet with participants? Would they be willing to host "Dinner meetings"? Will you be able to meet on weekends?
16. What is the frequency and timing of participant statements?
17. Are the statements available online?
18. Do you provide the personal rate of return on statements?
19. Do you provide an estimated projected monthly income on statements?

Conversion:

1. Explain your conversion process, including time frame. Please provide a specific timeline.
2. What involvement will be required from the Town during the conversion period?
3. Do you provide a dedicated conversion team? Please describe the structure and experience of the team that would handle this conversion.
4. Do you schedule regular implementation calls with the Town? If so, what is the frequency?

System Capabilities:

1. How often is the system upgraded?
2. What system enhancements do you have planned over the next three years?
3. Describe your documented disaster recovery plan. How often do you test your recovery system?
4. Describe your maintenance and backup procedures including daily backups, retention timetable and off- site backup storage approach. Please describe how you maintain a secure data environment that prevents potential data breaches.
5. Can the following reports be generated by the plan sponsor?
 - a. Distributions
 - b. Transfer/Exchange activity
 - c. Loan activity reporting
6. What recordkeeping platform do you utilize?
 - a. Is it proprietary, a derivative of an outsourced product or fully outsourced?

Investments:

1. Please describe in detail any requirements for proprietary funds vs. non-proprietary funds. This should also include the required use of Stable Value or other Capital Preservation Investment. Describe any limitations on the inclusion of non-proprietary funds for each plan.
2. Identify the number and types of investment vehicles you would make available.
3. How many investment options may the client offer participants under the standard agreement?
4. How many investment options are available for the client to select from for inclusion in the investment lineup?
5. Describe your policy on sending fund prospectuses to participants.

6. Do you offer in-plan annuity solutions?

Assets Subject to Liquidity Restraints:

1. Please describe in detail how you will assist the Town in transferring all assets at time of conversion, including assets subject to any liquidity restraints.
2. If proposing additional fees, please include in your fee quote in Exhibit C.
3. Please describe the investment option(s) available to the Town to replace the Mass Mutual Guaranteed Interest Account during conversion.
 - a. If proposing a Guaranteed Interest Account (GIA), are transfers made at book or market value?
 - b. Please provide the current crediting rate(s), liquidity provision(s) at the participant and sponsor level, and fact sheet(s).
 - c. How long is the crediting rate(s) guaranteed for? What is the process of evaluating when to adjust the crediting rate(s)?
4. Please confirm if you will be able to assist the Town with the above as part of the proposed agreement, and not through additional agreements with other third parties.

Trustee Services:

1. Will you act as or provide availability to trustee services?
2. If you provide Trustee Services, what are your fiduciary responsibilities?
3. Describe "checks and balances" employed in your trust accounting system.
4. Will you trustee outside investment funds?
5. What is your turn-around time on check issuance?
6. Do you process individual state tax withholding?
7. Do you provide information to plan participants regarding options on distributions?
8. Do you have a limit on the number of checks/wire available to participants who rollover their distributions?
9. Do you maintain all loan documentation (i.e., promissory notes) as part of your files?
10. Is your trust accounting system integrated with your recordkeeping system?
11. Does your system have the capability to maintain beneficiary tracking?
12. Do you provide on-line entry & maintenance of beneficiary information?
13. Do you scan and house beneficiary forms?
14. Describe your process for handling payment and tax withholdings for participants that reside in other states or foreign countries.

Cybersecurity:

1. Do you conduct periodic risk assessments to identify cybersecurity threats, vulnerabilities, and potential business consequences?
2. Are all personnel who come in contact with personal identifiable information trained on adequate protection of the information?
3. Do you have policies on storing personal identifiable information including where it is stored, how long it is stored, and how it is eliminated?
4. Do you have written information security policies? If so, are they regularly reviewed?
5. Do you guarantee customer assets in case of fraud?
6. Do you have a Chief Information Security Officer or equivalent position?
7. Do you carry cybersecurity insurance? If yes, provide an overview of the level of coverage.
8. Have you experienced any security breaches? If yes, explain.

9. What independent third-party security certifications do you hold?

Compliance:

1. When was the last SSAE No. 16 (formerly SAS70) audit completed? Can you please provide a copy of the most recent SAS70 Report?
2. Where there any exceptions noted in the audit? If so, please describe all exceptions.
3. Do you provide access to Counsel? Please include fees for this service in your fee quote.
4. How will you keep the Town up to date on regulatory changes that may impact the administration of the plan(s)?

Other:

1. Please provide a link for a demo to the plan sponsor portal
2. Please provide a link for a demo to the participant portal
3. Please provide a sample participant statement
4. Please provide a catalog/list of all seminars/webinars available
5. Please provide 3 governmental references for the Town to contact. At least one reference should be for a former client.

Exhibit C: Fees and Required Revenue

Since the Town may desire to consider the proposer's experience, qualifications, statement of work, and other aspects of the RFQ prior to the Cost Proposal, **the Cost Proposal shall be sealed in a separate envelope marked "Confidential: Cost Proposal"**.

Fees and Required Revenue:

1. Please provide estimated plan pricing information under the following arrangements for each plan.
 - a. Without proprietary investments
 - i. Pro rata
 - ii. Per capita
 - b. With proprietary investments (Stable Value and/or Target Date Funds; please specify)
 - i. Pro rata
 - ii. Per capita
 - c. Please disclose any cost associated with moving all plan assets during conversion, including the assets in General Account.
2. If education is not included in your proposed costs above, please disclose how many education days are included, and the costs for additional days.
3. Do you have the ability to create a plan level expense account or assess related plan fees to participant accounts? If so, please describe.
4. If the Town uses your prototype plan document, what would be the associated costs for any regulatory required update to the plan document?
5. If you provide access to counsel, what are the associated costs?
6. What are the start-up/conversion costs and the termination costs? Please differentiate the cost between contract termination and assistance with a transition to a new provider.
7. If there are additional costs for Trustee services, please disclose. What entity would serve as the trustee?
8. Do you provide fee guarantees/fee reviews? If so, how many years?
9. Please disclose any additional fees (plan sponsor or participant based) for brokerage use.
10. Expenses: Please list the associated cost. Please also list any potential fees that are not included in the below list.
 - a. Non-discrimination tests (each)
 - b. Extra compliance testing
 - c. Trustee Services
 - d. Investment advice
 - e. Managed accounts
 - f. Payroll deferral percentage tracking
 - g. Verification of loan eligibility
 - h. Loan maintenance
 - i. Loan origination fee
 - j. In-service, non-hardship withdrawals
 - k. Hardship distribution
 - l. Terminated distributions
 - m. Hardship approval
 - n. QDRO processing

- o. QDRO qualification
- p. Return of excess contributions
- q. Minimum required distributions
- r. Ad hoc plan level reports
- s. Sending checks/wires/ACH debits
- t. New enrollments
- u. Enrollment kits mailed to plan sponsor
- v. Enrollment kits mailed to participant
- w. Enrollment posters, payroll stuffers, flyers