

**The State of New Hampshire Department of Administrative Services is publishing  
RFP 2015-175**

**State of New Hampshire Public Employees  
Deferred Compensation Plan**

**Request for Proposal RFP 2015-175  
to Provide  
Deferred Compensation Services:  
Investment Management,  
Recordkeeping/Administration,  
Communication/Education,  
Participant on Site Services  
and  
Custodial Trustee Services**

<b>Issue Date:</b>	<b>March 20, 2015</b>
<b>Deadline for Questions:</b>	<b>April 3, 2015</b>
<b>Deadline for Submission:</b>	<b>May 5, 2015</b>



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# **SECTION 1**

## **Introduction/Overview**

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### **Introduction/Overview**

#### **Purpose/Objective**

The State of New Hampshire (the State) is seeking competitive proposals from qualified companies to provide bundled 457 Deferred Compensation services (i.e., recordkeeping/administration, communication/education, and custodial trustee services) and unbundled investment management services for the State of New Hampshire Public Employees Deferred Compensation Plan.

The State has retained Segal Rogerscasey to assist in the evaluation and selection of a full service provider to administer the State's 457(b) Deferred Compensation Plan.

In summary, the purpose of this RFP is to solicit proposals from qualified vendors that can offer best-in-class investment choices, highest-quality services, and favorable costs (i.e., the maximum value for the benefits proposed).

The State expects each proposer to clearly outline its best and most comprehensive resources, because all services and responsibilities identified in this RFP will be outsourced to the service provider.

#### **Background**

The State of New Hampshire adopted a Deferred Compensation Plan (NHDCP) in 1980, administered by the State of New Hampshire Public Employees Deferred Compensation Commission (Commission). The Plan is an eligible plan under Sections 457(b) of the Internal Revenue code of 1986 as amended. The Plan is currently administrated by Empower Retirement. As of December 31, 2014, total Plan assets were valued at **\$277.2 million** with 6,164 participants (includes actives and in-actives).

Under the Plan, Empower, the single source service provider, accounts for allocation of contributions, earnings and withdrawals, provides management and recordkeeping services, produces quarterly individual participant statements, maintains individual participant records, and provides marketing and enrollment services

The State has approximately 13,600 employees. Any employee, officer, or elected or appointed official who performs services for the State of New Hampshire, any political subdivision, or any agency or instrumentality of these entities is eligible to participate in the Plan.

There are approximately 13,600 [11,262 fulltime and 2,338 part time employees] eligible state employees and 6,164 participants (includes actives and in-actives). There is approximately 29% participation for active employees.

There are currently 33 participating political subdivisions with 504 participants. Assets for these 33 political subdivisions total \$15.7 million.

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<b>Participating Political Subdivisions</b>			
<b>Name</b>	<b># of Participants</b>	<b># of eligible Participants</b>	<b>December 31, 2014 Balance</b>
Town of Henniker	13	35	\$92,303
Pease Development Authority	27	100	\$1,493,669
Rockingham County	52	800	\$1,869,061
Belknap County	39	50	\$1,099,724
Town of Loudon	2	10	\$31,799
Town of New Durham	1	30	\$0
Lakes Region Mutual Fire Aid	1	100	\$113,509
Carroll County	1	100	\$21,659
Merrimack County	35	500	\$1,269,906
NH Retirement System	42	50	\$1,457,388
City of Rochester	24	617	\$315,985
Town of Hopkinton	7	40	\$59,619
Grafton County	7	325	\$103,997
City of Keene	90	800	\$2,449,792
City of Portsmouth	73	975	\$2,928,435
City of Concord	34	454	\$1,869,524
City of Somersworth	2	115	\$43,310
Town of Barrington	10	15	\$181,733
Town of Litchfield	20	50	\$148,365
Town of Rye	2	61	\$134,529
Town of Dublin	5	20	\$23,098
SAU 5	1	150	\$13,809
Capital Area Mutual Aid Fire	1	1	\$25,047
SAU 50	1	20	\$0
Newington School	0	75	\$0
New Castle School	0	75	\$0
Greenland School	0	75	\$0
Rye Schools	0	125	\$0
Town of Newmarket	0	55	\$0
Hanover School District	0	150	\$0
Dresden School District	0	250	\$0
SAU 70	0	20	\$0
Town of Gorham	14	60	\$0
<b>Total</b>	<b>504</b>	<b>6,303</b>	<b>\$15,746,259</b>

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**PLAN INFORMATION**

**Plan Sponsor:** State of New Hampshire

**Plan Name:** State of New Hampshire Public Employees Deferred Compensation Plan

**Employer:** State of New Hampshire  
25 Capitol Street  
Room 215C  
Concord, New Hampshire 03301

**Eligible Employees:** Any employee who performs services and receives compensation from the State of New Hampshire

There are 13,600 [11,262 fulltime and 2,338 part time employees] eligible state employees and 6,164 participants (includes actives and in-actives).

There are approximately 504 participants from participating political subdivisions.

There are currently 268 political subdivisions in the state of New Hampshire with approximately **19,226** eligible employees.

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**Payroll System:** The following centers supply contribution and remittance files directly to the service provider.

<b>State of New Hampshire Plan and Participating Entities</b>	<b>Data T</b>	<b>Funding Method</b>	<b>Frequency</b>
NH State Deferred Compensation Plan	PDI	ACH	Bi-weekly
Merrimack County	PDI	ACH	Bi-weekly
Town of Henniker	Paper Report	Check	Weekly
Pease Development Authority	Guided Payroll	ACH	Bi-weekly
Rockingham County	Paper Report	Check	Bi-weekly
Belknap County	Guided Payroll	ACH	Weekly
Town of Loudon	Paper Report	Check	Bi-weekly
Town of New Durham	Paper Report	Check	Bi-weekly
Lakes Region Mutual Fire Aid	Guided Payroll	ACH	Weekly
Carroll County	Paper Report	Check	Bi-weekly
NH Retirement System	PDI	Wire	Bi-weekly
City of Rochester	Paper Report	Check	Bi-weekly
Town of Hopkinton	Paper Report	Check	Bi-weekly
Grafton County	Paper Report	Check	Bi-weekly
City of Keene	Guided Payroll	Wire	Bi-weekly
City of Portsmouth	PDI	Wire	Weekly
City of Concord	Guided Payroll	Wire	Weekly
City of Somersworth	Paper Report	Check	Monthly
Town of Barrington	Paper Report	Check	Weekly
Town of Litchfield	Guided Payroll	ACH	Weekly
Town of Rye	Paper Report	Check	Weekly
Town of Dublin	Guided Payroll	ACH	Semi-Monthly
SAU 5	Paper Report	Check	Bi-weekly
Capital Area Mutual Aid Fire	Guided Payroll	Check	Bi-weekly
SAU 50	Guided Payroll	ACH	Bi-weekly
Newington School	Guided Payroll	ACH	Bi-weekly
New Castle School	Guided Payroll	ACH	Bi-weekly
Greenland School	Guided Payroll	ACH	Bi-weekly
Rye Schools	Guided Payroll	ACH	Bi-weekly
Town of Newmarket	Paper Report	Check	Bi-weekly
Hanover School District	Paper Report	Check	Bi-weekly
Dresden School District	Paper Report	Check	Bi-weekly
SAU 70	Paper Report	Check	Bi-weekly
Town of Gorham	Guided Payroll	ACH	Bi-weekly

## SECTION 1 Introduction/Overview

### PLAN HIGHLIGHTS

Plan features are as follows:

<b>Plan Year:</b>	January 1 through December 31
<b>Eligibility:</b>	Any employee who performs services and receives compensation from the State of New Hampshire or any participating political subdivision
<b>Employee Contributions:</b>	100% of the Participant's includible compensation including Age 50 Catch-Up or Special Catch-up
<b>Rollovers:</b>	Rollover contributions from 457(b) and other eligible plans
<b>Roth Participation:</b>	436 participants with \$1.9 million
<b>Managed Accounts:</b>	1,383 participants with \$25,538,387
<b>In-Plan Retirement Income:</b>	7 participants with \$393,020

#### **Stable Value:**

<b>Contributions</b>	2014 - \$10,320,877, 2013 - \$11,540,293, 2012 - \$11,348,295
<b>Distributions</b>	2014 - \$13,101,287, 2013 - \$10,146,951, 2012 - \$9,383,911
<b>Participants</b>	4,250
<b>Number 100% invested</b>	1,355

<b>Annual Contributions</b>	\$14.6 million employee deferrals in 2014 \$0.8 million in Roth deferrals in 2014 \$2.9 million in 457 Rollover contributions
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<b>Benefit Payment Events</b>	The Plan allows for withdrawals for the following events: <ul style="list-style-type: none"><li>▪ Termination of employment</li><li>▪ Retirement</li><li>▪ Death</li><li>▪ Age 70 ½ Minimum Required Distribution</li></ul>
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#### **Forms of Distribution:**

- Joint and Survivor Annuity\*
- Lump Sum
- Immediate or Deferred Annuity
- Systematic Withdrawal Option

\* Default distribution option

#### **In-Service Withdrawals**

- Unforeseeable emergencies as permitted by applicable IRS statutes and regulations and the State's plan document. (Administration of the unforeseeable emergency request process will be completely outsourced to the service provider, subject to a final appeal to the State or its designee)

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- Purchase of service credits in the Defined Benefit Plan is allowed under limited circumstances
- Qualified Domestic Relations Orders

**Loans:** 364 total loans with \$2.4 million; averaged \$215,000 in repayments/qtr

**CONTRIBUTIONS & DISTRIBUTIONS JANUARY 1 – DECEMBER 31, 2014**

<b>Contributions</b>	<b>Participants</b>	<b>Assets</b>
457 Rollovers	145	\$2,859,813
Employee Deferrals	3,867	\$14,553,930
Roth Deferrals	411	\$799,800
<b>Contributions Total</b>	<b>4,423</b>	<b>\$18,213,543</b>
<b>Distributions</b>	<b>Participants</b>	<b>Assets</b>
Death Claims	19	\$426,296
Hardship Withdrawal	17	\$83,616.00
Minimum Distributions	311	\$878,480
Periodic payment	384	\$822,629
Withdrawals	613	\$13,315,829
QDRO's	1	\$12,576
<b>Distributions Total</b>	<b>1,345</b>	<b>\$15,539,426</b>
<b>Net Cash Flow</b>		<b>\$2,674,117</b>

**KEY PLAN STATISTICS AS OF DECEMBER 31, 2014**

Number of new participants enrolled	453
Number of participants actively contributing	3,570
Number of participant accounts	6,238
Number of participants Increasing contributions	747
Number of employee counseling sessions in 2014	3,603
Number of employee counseling sessions in 2013	3,380
Number of group meetings performed in 2014	413
Number of group meetings performed in 2013	449
Participants who attended group meetings in 2014	3,967
Participants who attended group meetings in 2013	3,561
Average Participant account balance 2014	\$44,433
Average Participant account balance 2013	\$42,605
Participants utilizing the Voice Response Service	146*
Participants utilizing the Internet	838*
Participants utilizing the Customer Service Center	1,514

\* Average per month

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### MARKET VALUE BY INVESTMENT AS OF DECEMBER 31, 2014

Asset Class	Fund	Ticker	Balance 12/31/2014	Percent of assets
Stable Value	New Hampshire Custom Stable Value	N/A	\$ 104,181,408	37.6%
Intermediate Fixed Income	Pimco Total Return	PTRAX	\$ 15,920,248	5.7%
Balanced	American Balanced	RLBEX	\$ 14,335,147	5.2%
Balanced	PAX World Balanced	PAXWX	\$ 3,028,649	1.1%
Balanced - Retirement Income	Great-West SecureFoundation Balanced	MXSBX	\$ 393,020	0.1%
Large Cap Value	T. Rowe Price Equity Income	PRFDX	\$ 7,259,644	2.6%
Large Cap Core - Passive	Vanguard Institutional Index	VINIX	\$ 19,953,200	7.2%
Large Cap Core - Active	Vanguard Dividend Growth	VDIGX	\$ 17,975,065	6.5%
Large Cap Growth	Janus Twenty	JAVLX	\$ 14,467,457	5.2%
Large Cap Growth	Fidelity ContraFund	FCNTX	\$ 3,172,709	1.1%
Mid Cap Value	American Century Mid Cap Value	ACMVX	\$ 7,238,001	2.6%
Mid Cap Core	Vanguard Mid Cap Index	VMCIX	\$ 5,504,026	2.0%
Mid Cap Growth	Victory Munder Mid Cap Core Growth	MGOAX	\$ 8,534,818	3.1%
Small Cap Value	Invesco Van Kampen Small Cap Value	VSCAX	\$ 9,548,885	3.4%
Small Cap Core	Vanguard Small Cap Index	VSCIX	\$ 13,453,339	4.9%
Small Cap Growth	Hartford Small Company	IHSSX	\$ 1,080,494	0.4%
International Equity	MFS International Diversification	MDITX	\$ 7,939,358	2.9%
International Equity - Passive	Vanguard Total International Stock Index	VTIAX	\$ 81,996	0.0%
Global Equity	American Funds Cap World	RWIFX	\$ 11,871,871	4.3%
Target Date Income	T. Rowe Price Retirement Balanced	TRRIX	\$ 898,338	0.3%
Target Date 2010	T. Rowe Price Retirement 2010	TRRAX	\$ 818,484	0.3%
Target Date 2015	T. Rowe Price Retirement 2015	TRRGX	\$ 2,941	0.0%
Target Date 2020	T. Rowe Price Retirement 2020	TRRBX	\$ 4,380,257	1.6%
Target Date 2025	T. Rowe Price Retirement 2025	TRRHX	\$ 95,604	0.0%
Target Date 2030	T. Rowe Price Retirement 2030	TRRCX	\$ 3,003,273	1.1%
Target Date 2035	T. Rowe Price Retirement 2035	TRRJX	\$ 5,819	0.0%
Target Date 2040	T. Rowe Price Retirement 2040	TRRDX	\$ 999,871	0.4%
Target Date 2045	T. Rowe Price Retirement 2045	TRRKX	\$ 2,040	0.0%
Target Date 2050	T. Rowe Price Retirement 2050	TRRMX	\$ 560,619	0.2%
Target Date 2060	T. Rowe Price Retirement 2055	TRRNX	\$ 2,201	0.0%
Self-Directed Brokerage - Cash	TD Ameritrade SDB Money Market	N/A	\$ 75,286	0.0%
Self-Directed Brokerage - Investments	TD Ameritrade SDB Securities	N/A	\$ 434,834	0.2%
			<b>\$ 277,218,901</b>	<b>100.0%</b>

\* PIMCO Total Return was replaced by Dodge & Cox Income (DODIX) in the first quarter 2015.

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#### **Scope of Services**

##### ***Investment Management Services***

The Plan currently offers participants a diverse array of investment options covering all major asset classes. The Commission is looking for a provider that can offer participants an open architecture platform with a wide array of investment options.

While the final investment product line-up will be determined by the Commission in its sole discretion, for purposes of submitting your firm's proposal you should assume that the investment structure and investment options will remain exactly as indicated in the chart above.

An in-plan Retirement Income option and Stable Value are the only options open to recommendation at this time. **You should have the ability to recordkeep either a proprietary or third party in-plan retirement income option. The current stable value fund is a separate account with flexible liquidity provisions. The assets are available for either a cash or in kind transfer at the time of plan transition.**

The proposed stable value must be fully diversified, limit credit risk/exposure, provide competitive returns with no benefit payment limitations and provide attractive contract termination conditions. For a general account stable value product, a put provision or installment distribution will be acceptable to avoid a negative market value settlement. The Commission will fully evaluate the features and rates of any proposed stable value product.

##### ***Implementation Services***

Proposers must provide a detailed plan transition strategy along with communication materials to explain any new plan changes and enhancements. The potential transition from the current plan provider(s) to a new provider(s) will require you to provide an explanation of the process, blackout period, and reconciliation of plan assets to the individual participant records.

##### ***Administration and Recordkeeping Services***

The Plan currently uses paper forms for enrollment, deferral changes, and rollovers. At present, the only online activities available are beneficiary changes, loan implementation, and investment allocation changes. The State would like to move to fully automated processes where possible. After the implementation, the successful bidder must work with the State and payroll system to implement the requested automations.

Proposers will be required to provide detailed information about their recordkeeping and administrative systems and use of technology. Important factors include ability to integrate multiple payroll centers and systems, monitor compliance, process participant transactions, provide timely and accurate participant statements and financial statements for the plan sponsor. The service provider selected by the Commission must have in place a toll-free customer service center, automated voice response system, and Internet service that allow participants access to their accounts.

Proposers will provide extensive capabilities to support employee self-service using a variety of media. As a baseline, the proposer must provide superior Internet, interactive voice response

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system (VRS), and customer and field service representative capabilities to support the needs of the Plan participants. The services must include the following:

1. Support employee enrollment activities, initial and ongoing.
2. Answer employee inquiries related to eligibility, plan features, and investment offerings.
3. Allow employees to model retirement scenarios, request withdrawals from the Plan, change investment mix, change investment rates and percentages, request balances, and other similar activities.
4. On-site service representatives that provide one-on-one meetings and seminars at multiple work locations around the State. Representatives must at minimum be able to assist participants in enrollment, deferral changes, retirement readiness review, website education including how to maximize the value to them, and distribution options.
5. Provide participant investment education materials to make informed investment decisions.
6. Provide participant investment advisory services.
7. Provide benefits literature, such as summary plan descriptions, forms, statements, and prospectuses.
8. Administer and qualify unforeseen emergency withdrawals and Domestic Relations Orders.

The State will be responsible for establishing qualification procedures and other distribution and savings options. In accordance with applicable federal statutes and regulations, the selected proposer shall approve all unforeseeable emergency withdrawal requests and provide a first-level appeal of that determination. The State or its designee shall conduct all second-level appeals of unforeseeable emergency requests.

The Commission expects the successful service provider(s) to assume all data-management responsibilities for the State. The service provider(s) will be required to establish two-way interface capability with all appropriate parties (e.g., State payroll) and be held accountable for timely, accurate transmission and, as appropriate, editing and validation of data for processing enrollments and contribution activity.

#### ***Employee Communication and Education Services***

The prospective service provider would be required to provide a comprehensive employee communication and investment education program that includes investment advice and pre-retirement planning services. Communication services are to be supported by customer service representatives and comprehensive Internet services that provide participants with interactive financial and retirement planning tools and software. A dual-high touch, high-tech approach would be required to provide the participants with all of the necessary financial information and data to make informed investment decisions related to their elections. An explanation that outlines your firm's capabilities in designing and implementing a communication/education strategy will be required for both the initial transition and ongoing process. The goal is to identify

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a service provider that offers a comprehensive communication/education services. These services, including one-on-one counseling and investment advisory, should be supported with field service representatives to accommodate the needs of the employees located throughout the State. Field service representatives' compensation cannot be structured for any bias towards any investment product or advisory services.

The service provider will be required to assist employees with the completion of enrollment forms, verify the completeness of the forms, and coordinate the institution of salary deferrals with the State's payroll system.

The service provider must prepare enrollment packages, which must be distributed at group meetings and in response to an employee's request and contain all information in a complete and concise manner so that an employee would be able to enroll in the Plan. The service provider must also provide enrollment counseling to employees who wish to discuss the Plan and the investment offerings in person or over the telephone.

The service provider will be required to prepare, for the Commission's approval, an annual education plan. This plan should detail the approach that your organization will take in communicating the program to employees, including the plan for contacting existing participants to periodically re-evaluate their deferred compensation plan participation and review whether changes should be made. The Commission will require a quarterly report from the service provider to monitor plan level activities. This report shall include data on both the Plan and participation level, as well as the status and resolution of any participant problems and developments in the delivery of plan services.

The State currently has access to a Registered Investment Advisor (RIA) that has a FINRA Series 65 license, on a limited basis, that provides the following services:

- At no additional charge, meets with participants (and spouses) identified and invited by the Plan executive director for one-on-one meetings
- Assists field service representatives in asset retention, consolidation of retirement assets, and retirement readiness
- Advises participants on the appropriateness of the new in-plan guaranteed income option and can make fund specific recommendations

An RIA is not a requirement, but the Commission would like to know if your organization has such individuals available to the State to augment your proposed local staffing plan.

#### ***Trustee/Custodial Services***

The service provider must provide trustee/custodial services for the Plan or arrange for trustee services with an outside party. Any additional costs for trustee/custodial services are to be fully disclosed in the fee section of this Request for Proposal.

#### ***Fees***

The Commission wants to carefully examine all the costs associated with each provider's products and services. Each proposer must fully disclose fees based on the information provided in this RFP. Pricing should be based plan administration with your proposed stable value option as part of your pricing structure.

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**All fees proposed must be best and final. The State will only negotiate with the selected provider.**

With respect to the stable value fund, as of December 31, 2014, the market value is \$104,181,408. The book-to-market ratio is 103.6%. Assets are available for either a cash or in-kind transfer.

The Commission is interested in moving to a level fee for all participants. The successful bidder will have to have the ability to return revenue to specific participant accounts and provide additional solutions to fee leveling.

#### ***Preparation Costs***

All costs incurred during proposal preparation, or in any way associated with the proposal's preparation, response, submission, presentation, or oral interviews shall be the sole responsibility of the proposer and shall not be reimbursed by the State.

#### ***Term of Contract***

The successful proposer must execute a contract providing the specified package of services in accordance with the State's requirements.

Once awarded, the contract for a 457 plan service provider will begin January 1, 2016 with the expectation to launch employee educational meetings in mid-October, 2015. The initial performance period will be for five (5) years from January 1, 2016 through December 31, 2020. The fee structure and credit allowances for plan expenses must be guaranteed for the full five-year term, with favorable fee negotiations during the course of the contract

The initial duration of the contract awarded under this RFP will be five (5) years with one, two (2) year extension. The State will issue a new RFP per State statute at either the five or seven year mark.

The Commission is not bound by any oral or written information released prior to the issuance of this RFP. Any materials and documents developed during the engagement will become the property of the Commission.

In submitting a proposal, the selected provider(s) agrees that the Commission has access to and the right to examine directly all pertinent documents, papers and records of the contractor and/or any subcontractor as related to any contract and/or sub-contract resulting from this RFP until six years after final payment has been made pursuant to any contract awarded as a result of the Commission's acceptance of the provider's proposal. The Commission has the exclusive ownership and unlimited rights to use, disclose, or duplicate for any purpose whatsoever, all information, data, designs, work products, and materials developed by the provider under contract.

The Commission reserves the right to refuse to do business with any proposer found to be non-responsive by the Commission. The Commission reserves the right to postpone or cancel this RFP and to reject all proposals.

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If no agreement is reached with a proposer within a period of time considered reasonable by the Commission, the Commission may terminate negotiations and select another proposer, issue a new RFP, or take any other action consistent with the Plan's best interests. No proposer shall have any rights against the Plan, the Commission, or the State arising from such negotiations. By issuing this RFP, the Commission is not obligated to award a contract. The contract between the Plan, acting through the Commission, and the successful proposer shall contain provisions based on the specific requirements of this RFP, the successful proposer's proposal, and general provisions governing all Plan contracts. No elected or appointed member, agent, or employee of the Commission and/or the State shall benefit financially or materially from any contract resulting from this procurement. The Commission may terminate any contract resulting from this procurement if gratuities were offered or given by the contractor or his agent to any member, agent, or employee of the Commission and/or the State.

The selected provider is responsible for the entire contract performance. The provider must indicate in the RFP if it intends to use a subcontractor for any part of the work. If so, the provider shall identify each subcontractor by name, business address, and expertise, and must include the name(s) of the principal(s) of the subcontracting entity. A full description of the tasks to be performed by the subcontractor must be included.

The Commission reserves the right to accept or reject the account manager and other staff personnel designated for its programs, both initially and in future years. The successful contractor must notify the Commission of all changes in the personnel assigned to this engagement.

The final award will be subject to the execution of a service contract acceptable to the State.

### ***Terms of Submission***

All material received in response to this RFP shall become the property of the Department of Administrative Services (DAS), Bureau of Purchase & Property, and will not be returned to the vendor. Regardless of the vendors selected, DAS reserves the right to use any information presented in a bid response.

Any information contained in the vendor's bid response that the Vendor considers confidential must be clearly designated. Marking of the entire bid response or sections of the bid response (e.g. pricing) as confidential will neither be accepted nor honored.

Generally, each bid response shall become public information upon the effective date of any resulting contract; however, to the extent consistent with applicable state and federal law and regulations, as determined by the State, including but not limited to, RSA Chapter 91-A (Right to Know Law), the State will endeavor to maintain the confidentiality of portions of the bid that is clearly and properly marked confidential. If a request is made to the State to view portions of a bid that the vendor has properly and clearly marked confidential, the State will notify the vendor of the request and of the date that the State plans to release the records. By submitting a bid, vendors agree that unless the vendor obtains a court order, at its sole expense, enjoining the release of the requested information, the State may release the requested information on the date specified in the State's notice without any liability to the vendors

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### Elements of Competition

The following elements will be among those considered in the selection process:

1. Quality of your proposed Stable Value investment including but not limited to:
  - (a) Contract provisions
  - (b) Crediting rate and minimum guarantees
  - (c) Investment management fees
  - (d) Performance
  - (e) Underlying assets
  - (f) Discontinuance features
  - (g) Management of the book to market value differential for establishing new interest rates during the course of the contract
2. Commitment to on-site employee enrollment, ongoing communication, customer service, and employee education.
3. Data-management services, including creation and maintenance of employee data, transaction data and history, interfaces with suppliers and payroll, and other record keeping and administrative functions, including compliance.
4. Call center services, including support of enrollment and employee inquiries.
5. Overall cost structure for plan level expenses.
6. Independence, size, structure, resources, and capacity of the organization; experience in providing deferred compensation services to large public employers.
7. Trust and custody service.
8. On site participant support and advisory services

The following points expand on these selection criteria.

9. While cost of the services called for in this RFP will be a factor considered, *selection will not be made solely on the basis of cost.*
10. Consideration will be given only to those proposers with experience administering, governmental defined contribution plans that are similar in size and scope to those required by the State of New Hampshire.
11. The Commission requires that bidders have local offices in the State of New Hampshire staffed by qualified field representatives at the time the contract begins.
12. A contract resulting from this RFP shall be subject to the terms and conditions set forth in the contract language requirements required by the State.

## **SECTION 1**

### **Introduction/Overview**

#### **Minimum Qualifications of Service Provider**

The following is the criteria for a bundled provider to be considered as an eligible candidate to bid on the requested services described in this RFP. **If you are unable to accommodate any one of the minimum qualifications, please do not respond to this RFP.**

1. Proposers must offer bundled administrative services (i.e., recordkeeping/administration, communication/education, custodial trustee services, and investment advisory services), as well as investment management services with an open architecture investment platform.
2. Proposers must have at least **five (5)** years' experience in providing the proposed services and products to the public sponsor 457 Deferred Compensation marketplace.
3. Proposer must administer at least **five (5)** 457 Deferred Compensation Plans with each having 15,000 eligible participants.
4. Proposers must have a minimum of **\$3** billion under management for U.S. public sector plans.
5. Proposers must provide administrative services and investment products pursuant to Section 457 of the Internal Revenue Code, including all rules and regulations of the State of New Hampshire. Certification as a qualified firm is required.
6. Any relationships proposed to provide services offered in this RFP must have been in place for at least **five (5)** years and provide services to similar plans (size and demographics).

#### **Service Provider Specifications**

1. Proposers must comply with all RFP specifications. Unless otherwise noted by you, in your cover letter, it is assumed that, by submitting a response to this RFP, your response is intended to conform to the specifications in every way.
2. Proposers must provide a representative who can provide a single point of contact, seamless administration and accountability, and meet, on a regular basis, with the Commission.
3. Proposers must demonstrate an ability to work with the Commission, the Chairperson or designated representative and the State's consultants in implementation, communication, and administration of the program.
4. Proposers must provide dedicated resources to support the on-going consultation to the State and all plan participants located throughout the State of New Hampshire. This would also include the availability of customer service representatives to support employee meetings and new employee orientation programs. Bidders must provide local offices to be located in New Hampshire.

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### **Introduction/Overview**

5. Proposer's field service representatives that provide enrollment and education may not have commission-based compensation or any financial incentives to promote any investment product or service. Field representatives may be compensated for increasing plan participation or meeting the goals set forth by the Commission to enhance the program. A salary-based compensation structure is required for all field service representatives allocated to this relationship and to political sub divisions.
6. The selected proposer is to reimburse the State for the cost of conducting the vendor search and evaluation project (one time fee of \$45,000) to be paid once the final contracts have been signed with the service provider.
7. The selected proposer must reimburse the State for the cost of any internal programming associated with the implementation of any service features to enhance the Plan's administration.
8. The firm must accurately and fully disclose all fund expense and revenue sharing arrangements associated with all funds available to the State, including Stable Value products.
9. Proposers must offer a comprehensive education and communication program.
10. Proposers must accommodate a January 1, 2016 implementation date.
11. Proposers must be willing to sign a contract for a period of 5 years beginning January 1, 2016 through December 31, 2020 and years six and seven with favorable fee negotiations and at the discretion of the Commission. It is the State's expectation that as the size of the plan assets increase during the term of the contract, that the vendor will be willing to guarantee or negotiate appropriate fee reductions and related credit allowances allocated for plan level expenses.
12. Proposers must be liable and solely responsible for any processing errors of the provider or its agents. In the event of a participant's loss of interest and/or dividend and/or principal due to an error by the successful respondent(s) or its agent(s) in processing transactions on behalf of the participant, the successful respondent(s) agree to adjust the participant's account to the same position as if the processing error had not occurred.
13. In addition to the State's 13,600 eligible employees, proposers should be able to deal directly with approximately 19,226 eligible employees of eligible political subdivisions located within the State of New Hampshire.
14. Proposers are to accept a 90-day notification on the part of the State to discontinue service relationship with no penalties. The State will not enter into a contract with any penalty or liquidation charges for terminating the relationship. This applies to the entire contract and all investment funds including Stable Value and Fixed Income products.
15. Proposers must provide necessary changes to the Plan as needed resulting from State and/or Federal legislation without additional cost to participants under the terms of the current contract.

## **SECTION 1**

### **Introduction/Overview**

16. Proposers must have the capability to handle multiple payroll locations and transmittal methods.
17. Subject to a final unforeseeable emergency withdrawal appeal process established by the State, the selected proposer must provide complete review, approval, and administrative services related to unforeseeable emergency distributions and Qualified Domestic Relations Orders (QDRO).
18. The selected proposer must be capable of providing self-directed brokerage services. The selected proposer must be capable of offering the entire fund universe and implementing an in-kind brokerage transfer of existing assets to accommodate participants who established a self-directed brokerage account under the current contract.
19. The firm must be able to meet with the Commission on a quarterly basis and provide performance related information.
20. The firm must have knowledge of and comply with all applicable New Hampshire and federal regulations regarding governmental retirement plans and investment options. All laws of the State of New Hampshire, whether substantive or procedural, shall apply to this contract, and all statutory, charter, and ordinance provisions that are applicable to public contracts in the State shall be followed with respect to this contract.
21. Proposers who contract with third parties for investment advisory, self directed brokerage, and custodial trustee services must follow laws and regulations of the State of New Hampshire.
22. Proposers must have up-to-date, robust systems and procedures in place to protect participant data.

**Please complete the attached Certification of Compliance with Minimum Requirements (Attachment A) attesting to the adherence of these requirements. This should be submitted to Robert Stowell at the State of New Hampshire Bureau of Purchase and Property via e-mail at Robert.Stowell@nh.gov. Any responses not meeting these specifications may be considered, at the sole discretion of the Commission, as non-responsive.**

## **SECTION 1**

### **Introduction/Overview**

#### **Goals and Objectives of the Deferred Compensation Plan**

As part of the selection criteria, the State of New Hampshire is looking for a service provider that has the capabilities of dealing directly with at least 15,000 eligible state employees and 20,000 eligible employees of participating political subdivisions. For a program of this size to be a success, an administrative process must be in place to address the needs of all eligible employees, including assistance in the enrollment and education process. The State is looking for a service provider who can actively manage all related enrollment activity and implement a program to ensure maximum participation.

Additionally, the State wants to develop a relationship with a service provider(s) who will offer strong and competitive fund choices, accurate and timely recordkeeping services and administer the Plan within pre-described service standards. It places a high value on finding a service provider that meets the following qualifications.

#### **1. Focus on Quality and Consistency of Service Delivery**

- Adheres to successful quality assurance procedures;
- Follows a successful problem resolution methodology;
- Has a history of performing services on a timely basis;
- Performs services correctly and accurately every time; and
- Provides accurate and consistent responses to inquiries.

#### **2. Proactive Approach**

- Educates participants through participant friendly communications,
- Educates participants by providing informed customer service representatives;
- Provides monthly on-site visits to individual state agencies for participant enrollment and group meetings; and
- Develops strong working relationships with human resources staff of state agencies and participating local governments in order maximize opportunities for employee education and communication.
- Provides comprehensive retirement planning and investment education services.

#### **3. Commitment to Technology Development**

- Keeps up to date on technological developments such as Internet access;
- Continuously invests in enhanced technology;
- Demonstrates improvements to participant data security; and
- Demonstrates improvement (accuracy, timeliness, etc.) in client service through technological enhancements

## **SECTION 1**

### **Introduction/Overview**

Additionally, the State places a high value on finding a service provider(s) who provides:

- Permanent field staff and offices in New Hampshire
- On-site visits of Corporate and/or Regional offices to observe operations and to meet with corporate staff and field representatives/regional directors.
- On-site enrollment services to support all eligible employees at minimum one day per month allocation of staff assigned to the State to support new employee enrollment sessions.
- Reporting, marketing, communication and education objectives identified in the RFP.
- Controls over financial reporting, recordkeeping, compliance, and provider's performance.
- Compliance with IRC Trust rules and regulations.
- Comprehensive communications programs, including enrollment and education for participants.
- Plan participation promotion, including promotion of participation among local governments and their employees.
- Utilization of state of the art technology in carrying out the services required under this RFP.
- Custodial trustee services.

The selected proposer will be expected to work closely with the State and its consultants to identify cost-savings and improvements to the Plan and will be called on during the term of the contract to supply information on a regular basis to the State, its staff, attorneys, consultants, auditors, and other designated agents. The successful provider must fully cooperate with these individuals or groups.

**SECTION 1**  
**Introduction/Overview**

**Evaluation of Proposals**

The New Hampshire Deferred Compensation Commission along with Segal Rogerscasey will examine proposals to eliminate those that are clearly non-responsive to the stated requirements. Therefore, proposers should exercise particular care in reviewing the proposal format required for this RFP.

Analysis of the proposals submitted will be based on the following criteria:

CRITERIA	Point Value
a. Organization and history including independence, size, structure, and resources of the organization; assets under management; experience in providing services to similar public deferred compensation plans	5
b. Stable value	25
c. Employee communication and education, financial advisory services and on-site field representatives, voice response system, customer service center, internet services	15
d. Administration, recordkeeping, regulatory and compliance, custodial trustee, reporting, implementation services, and investments	15
e. Fees	25
f. Overall responses	5
<b>Sub-Total</b>	<b>90</b>
g. Finalist presentations	10
<b>Total</b>	<b>100</b>

**All fees proposed must be best and final. The State will only negotiate with the selected provider.**

The State may request presentations for up to four (4) finalists (g) and conduct detailed reference checks on the proposers. The State reserves the right to contact any and all references to obtain, without limitation, information regarding the proposer’s performance on previous projects. A uniform sample of references will be checked for each proposer. Proposer would be required to pay for travel expenses in connection with any due diligence, oversight meetings.

**Working Relationships**

The successful proposer will be expected to work closely with the Deferred Compensation Commission and their consultants to identify cost-savings and improvements to the Plan.

**There shall be no communication, either in person, in writing, or by phone and email between any proposer or any authorized representative of the proposer and any (1) Deferred Compensation Commission Member, (2) member of the Commission office staff, (3) Segal Rogerscasey consultant, (4) elected officials or their staff members, (5) any person or entity in a position to approve this contract or (6) any other person in position to influence the decision of the Commission Members at any time during the**

## **SECTION 1**

### **Introduction/Overview**

**RFP process, and until the Commission makes its decision, except at time specified for the pre-bid question process and oral presentations by selected proposers. Direct communication in an attempt to influence the awarding of the RFP shall be considered grounds for disqualification.**

This RFP, including exhibits and any addenda, will be incorporated into the final contract document. ***The State of New Hampshire Form P37 included in the Appendix will be the basis for the contract discussions between the State of New Hampshire and the selected vendor.***

### **Exceptions/Additions**

Any proposed replacement language will be submitted for clarification only, and will be considered by the Commission to be contingent upon the Commission's acceptance. The Purchasing Agent and the Commission assumes no obligation to accept, reject, or negotiate proposed replacement terms or conditions with the successful proposer.

Proposers will be expected to sign a statement as part of the proposal that they are in agreement with all of the terms and conditions presented in the RFP, the exhibits, and the addendum to the RFP (Transmittal Letter).

The proposer is responsible for clarifying any ambiguity, conflict, discrepancy, omission, or other error in the Request for Proposals before submitting the proposal; otherwise, the right to raise such issues shall be waived.

### **Vendor Selection Process**

The selection process will go through the following phases:

#### **1. Analysis of RFP Responses**

Following submission of responses to this RFP, Segal Rogerscasey and the Commission will review and analyze the proposals and identify the finalists who will be invited to make a presentation.

#### **2. Finalist Presentations**

***Up to four*** finalists may be chosen at the discretion of the Commission to make a presentation giving them an opportunity to explain the functional, technical and investment capabilities of their organizations. Service providers should also be prepared to answer detailed questions regarding their proposals.

#### **3. Selection of Service Provider**

It is expected that the successful candidate will be notified shortly after final presentations. The actual award of the engagement is contingent upon finalizing an agreement with regard to the service contract, service standards and fees.

**SECTION 1  
Introduction/Overview**

**State of New Hampshire Department of Administrative Services Proposal  
Transmittal Letter**

Date: \_\_\_\_\_  
\_\_\_\_\_

Company Name:  
Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To: Point of Contact: **Robert Stowell**  
Telephone: (603)-271-3606  
Fax: (603) 271-7564  
Email: prchweb@nh.gov

**RE: Proposal Invitation Name: Deferred Compensation Plan  
Proposal Number: PROPOSAL # 2015-175  
Proposal Opening Date and Time: March 20, 2015 @ 4:30 PM**

Dear Robert Stowell

[Insert name of signor] \_\_\_\_\_, on behalf of \_\_\_\_\_ [insert name of entity submitting Proposal (collectively referred to as "Vendor") hereby submits an offer as contained in the written Proposal submitted herewith ("Proposal") to the State of New Hampshire in response to PROPOSAL # 2015-175 for a Deferred Compensation Services Contract(s) at the price(s) quoted herein in complete accordance with the Proposal.

\_\_\_\_\_ is authorized to legally obligate \_\_\_\_\_  
Print Signor Name Print Company Name

Vendor attests to the fact that:

1. The Vendor has reviewed and agreed to be bound by the terms of the Request for Proposal.
2. The Vendor has not altered any of the language or other provisions contained in the Proposal document.
3. The Proposal is effective for a period of 180 days from the Opening date as indicated above.
4. The prices Vendor has quoted in the Proposal were established without collusion with other vendors.
5. The Vendor has read and fully understands this Request for Proposal.
6. Further, in accordance with RSA 21-I:11-c, the undersigned Vendor certifies that neither the Vendor nor any of its subsidiaries, affiliates or principal officers (principal officers refers to individuals with management responsibility for the entity or association):
  - a. Has, within the past 2 years, been convicted of, or pleaded guilty to, a violation of RSA 356:2, RSA 356:4, or any state or federal law or county or municipal ordinance prohibiting specified bidding practices, or involving antitrust violations, which has not been annulled;
  - b. Has been prohibited, either permanently or temporarily, from participating in any public works project pursuant to RSA 638:20;
  - c. Has previously provided false, deceptive, or fraudulent information on a vendor code number application form, or any other document submitted to the state of New Hampshire, which information was not corrected as of the time of the filing a bid, proposal, or quotation;
  - d. Is currently debarred from performing work on any project of the federal government or the government of any state;
  - e. Has, within the past 2 years, failed to cure a default on any contract with the federal government or the government of any state;
  - f. Is presently subject to any order of the department of labor, the department of employment security, or any other state department, agency, board, or commission, finding that the applicant is not in compliance with the requirements of the laws or rules that the department, agency, board, or commission is charged with implementing;
  - g. Is presently subject to any sanction or penalty finally issued by the department of labor, the department of employment security, or any other state department, agency, board, or commission, which sanction or penalty has not been fully discharged or fulfilled;
  - h. Is currently serving a sentence or is subject to a continuing or unfulfilled penalty for any crime or violation noted in this section;
  - i. Has failed or neglected to advise the division of any conviction, plea of guilty, or finding relative to any crime or violation noted in this section, or of any debarment, within 30 days of such conviction, plea, finding, or debarment; or
  - j. Has been placed on the debarred parties list described in RSA 21-I:11-c within the past year.

**SECTION 1**  
**Introduction/Overview**

Authorized Signor's Signature \_\_\_\_\_ Authorized Signor's Title  
\_\_\_\_\_

NOTARY PUBLIC/JUSTICE OF THE PEACE

COUNTY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

On the \_\_\_\_ day of \_\_\_\_\_, 2015, personally appeared before me, the above named  
\_\_\_\_\_, in his/her capacity as authorized representative of \_\_\_\_\_, known to me  
or satisfactorily proven, and took oath that the foregoing is true and accurate to the best of his/her knowledge  
and belief.

In witness thereof, I hereunto set my hand and official seal.

\_\_\_\_\_  
(Notary Public/Justice of the Peace)

My commission expires: \_\_\_\_\_ (Date)

## **SECTION 1**

### **Introduction/Overview**

#### **Format of RFP Responses**

Proposers must provide their proposal in the following format:

##### **1. Transmittal Letter**

The State of New Hampshire transmittal shall accompany each proposal. Such letter must be signed by a person authorized to contractually obligate the provider to the scope, terms, specifications, and pricing contained in the response in accordance with the State of New Hampshire Form P-37.

In addition to the letter, please attach the following information to the letter clearly indicating the name, address, phone number, and facsimile number of one contact person for the proposal.

- A. Certification that the proposer meets all of the minimum service qualifications as described in the RFP. Reference to the Completion of Certification of Compliance with Minimum Qualifications of the RFP. (See Attachment A.)
- B. A brief statement of the services to be provided.
- C. A statement of commitment to provide the services requested within the times and manner specified.
- D. A brief summary of the provider's qualifications to perform this type of engagement.

##### **2. Table of Contents**

The table of contents should include clear and complete identification of the materials submitted by section and page number.

##### **3. Requirements Definitions**

Responses must comply with the following:

- A. All questions in Section 2, 3 and 4 must be answered in the manner and area stipulated after each question. All RFP questions must be restated before your response. If printed matter is supplied as supplemental information, please make sure that the supplemental information is appropriately marked with the corresponding question to which it applies.
- B. Please respond to every question relative to each section of the RFP. Failure to respond to all questions may lead to your elimination from consideration.
- C. All questions must be answered in the order asked.
- D. Neither Segal Rogerscasey nor the State will be bound by oral explanations or instructions given at any time during the request for proposal process or after the award of the contract.

## **SECTION 1**

### **Introduction/Overview**

#### **4. Fee Specifications**

Fee quotes should be provided in the format outlined in Section 4. Pricing must be good for six (6) months from the receipt date of the proposal.

#### **Pre-Bid Service Provider Questions**

Submission of questions, in writing, related to this Request for Proposal can be made via email to Robert Stowell at the State, email address – Robert.Stowell@nh.gov by **3:00 p.m. Eastern Time, April 3, 2015.**

Written responses to each proposer's questions will be answered to all prospective proposers via the State's addendum process by **5:00 p.m. Eastern Time, April 15, 2015.**

## SECTION 1 Introduction/Overview

### Submission of RFP Responses

Each vendor **must** submit their RFP response in accordance with **all** stipulations listed below:

1. Each vendor must submit a total of three [3] bound copies. Copies must be received by State of New Hampshire Purchasing and Property by **4:00 p.m. Eastern Time on May 5, 2015**. The copies should be sent as follows:

**One original copy marked “master” and 1 copies to:**

Robert Stowell  
State of New Hampshire  
Department of Administrative Services  
Bureau of Purchase and Property  
25 Capitol Street, Room 102  
Concord, NH 03301  
Tel: 603-271-3606  
E-mail: Robert.Stowell@nh.gov

**One copy to:**

Craig Chaikin  
Senior Consultant  
SEGAL ROGERSCASEY  
333 West 34<sup>th</sup> Street  
5<sup>th</sup> Floor  
New York, NY 10001

All Proposals must be clearly marked as follows:

State of New Hampshire  
Department of Administrative Services  
Response to RFP Number  
Deferred Compensation Services

The State will determine the timely receipt of proposals and instruct Segal Rogerscasey of the list of company names to evaluate. In addition to the hard copy proposals, service providers must upload an electronic copy to the State’s secure FTP site. Please contact Mr. Stowell as to the process to obtain a password to the State of New Hampshire secure FTP site at least 5 calendar days prior to your submission.

**Proposals received after the deadline or not in the formats (electronic and hardcopy) as stipulated above, will not be considered unless the service provider(s) presents extenuating, exceptional circumstances acceptable to the State of New Hampshire. Service providers are responsible for ensuring that their proposals are received in a timely fashion.**

## SECTION 1 Introduction/Overview

### Projected Timetable

The new program is to be operational by **January 1, 2016**.

TASK	TARGET DATES
Release of Request for Proposal (RFP)	March 20
Receive pre-proposal questions from providers	April 3
Provide response to providers' proposal questions	April 15
Receive proposals from service providers	May 5
Presentation to Commission, results of RFP analysis and initial scoring	Week of June 8
Identify and Contact Finalists and Schedule dates	June 12
Finalists presentations if applicable	June 25/26
Selection of Service Provider	Week of June 29
Contract Negotiations, DAS and DOJ review with goal date of no later than August G&C meeting	June 29 – July 29
Implementation Date	January 1, 2016

Please note, should they be held, the finalist presentation will be **June 25 or 26, 2015**, at **25 Capitol Street**. Successful proposers, up to four (4), will be notified as to the time of their presentation before the Commission, and will be provided with instructions regarding the presentation agenda. It is important that you schedule this date on your calendar as the date the finalist presentations will be made.

### Contractor's Responsibilities

The successful proposer must execute a contract with the State within 30 days of being awarded the engagement. The contract will be submitted to the Governor and Executive Council for final approval.

The successful proposer must give the Commission one hundred twenty (120) days' notice prior to any termination initiated by the successful proposer.

The successful 457 Plan Service Provider **MUST NOT** also be a broker or have an affiliation that creates a broker arrangement under this account.

Any communication of educational materials — such as handbooks, brochures, videotapes, internet, or overheads — for distribution to employees, pensioners, and eligible dependents, must have prior approval of the Deferred Compensation Commission before being printed, given to, or shown to participants.

### State of New Hampshire's Responsibilities

1. The State shall have the right to inspect any facility or project site where the services performed under the resultant contract are performed.
2. The State will monitor the performance of the selected service providers on a quarterly basis to insure compliance with all of the requirements of the contract during the initial year of the contract, subsequent monitoring will be conducted either semi-annually or annually as determined by the Commission.

# **SECTION 2**

## **Request for Proposal**

### **Administrative Services Questionnaire**

## SECTION 2 Administrative Services Questionnaire

### Organization and History

#### A. Organization and History

1. **Proposer Information:** Provide a brief overview of your organization. The narrative shall include the following:
  - (a) date established;
  - (b) ownership (public, partnership, subsidiary, etc.);
  - (c) years active in the deferred compensation market;
  - (d) years in the 457 market; and
  - (e) relationships with other entities relevant to or related to the subject matter of this RFP.
2. Confirm that you have attached financial statements for the past 3 years.
3. Indicate how many years your company has been active in the deferred compensation business as it pertains to public sector 457 Deferred Compensation plans
  - (a) Investment management
  - (b) Trustee services
  - (c) Communication & education
  - (d) On-site participant education
  - (e) Participant services: VRS, 1-800 & website
  - (f) Investment advisory
4. Provide the following information:
  - (a) Total assets under administration
  - (b) Total defined contribution assets under administration
  - (c) Total deferred compensation assets under administration
  - (d) Total public deferred compensation assets under administration
  - (e) Total 457 deferred compensation assets under administration
5. What are your client retention statistics for each of the last three years for 457 deferred compensation plans?
6. What percentage left due to issues pertaining to services provided by your organization?
7. What is the average client relationship duration?
8. How many proposals have you submitted in the last three years in response to 457 deferred compensation plan service provider RFP's?
9. How many 457 deferred compensation plan accounts have you gained in the last three years?
10. How many 457 deferred compensation clients have left in the last three years and why?
11. List the number and total 457 deferred compensation assets that you currently administer in the following categories of 457 plans:

**SECTION 2**  
**Administrative Services Questionnaire**

Number of Participants	Plans		Assets	
	Number	Percent	Amount	Percent
Under 5,000				
5,001 – 10,000				
10,001 – 15,000				
Over 15,000				
<b>Total</b>				

12. What is the total number of participants in all defined contribution plans currently administered by your organization?
13. What is the total number of participants in all 457 deferred compensation plans currently administered by your organization?
14. Describe your errors/omissions liability insurance and coverage. Describe the various types of insurance coverage and indemnification provided to protect clients.
15. Has your company, or any affiliates, been a party to any litigation, investigations, or settlements during the last three years involving your defined contribution or deferred compensation recordkeeping and administration services? If yes, please provide: 1) the nature of the claim or action 2) the current status of the litigation and 3) any fines or settlements paid.
16. What is the last date when your organization had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the recordkeeping division?
17. Provide a certification that there are no pending or anticipated plans to re-organize your company (within itself or as part of the larger organization of which your company is a part) before January 1, 2016.

**B. References**

1. Please provide references for four public deferred compensation clients that have similar plan demographics (i.e., size and plan design). If available, at least one of the four should have converted within the last year. For each reference, please provide client name, contact name, address, e-mail address, phone number, services provided, and year they became a client.
2. Provide references for three former clients who had similar plan demographics (i.e., size and plan design). At least one of the three should have left within the last year. Provide former client name, contact name, address, phone number, services provided, year they ceased to be a client and the reason(s).

**C. Client Service/Quality Assurance**

1. How many of your employees work on defined contribution plans? How many specifically work on 457 deferred compensation plans? Provide a breakdown of the

**SECTION 2**  
**Administrative Services Questionnaire**

number of full-time equivalent employees working on defined contribution plans as indicated in the chart below:

<b>Personnel Type</b>	<b>Number</b>
Management	
Call Center Mgmt/Supervisors	
Customer Service Reps	
Field Reps	
Systems Management	
Systems Staff: Development & Operating/Maintenance	
Website	
Other	

2. What is the average tenure (in years) of the following positions:
  - (a) Plan Administrator
  - (b) Client Relationship Manager
  - (c) Field Service Representatives
  - (d) Conversion Project Manager
  - (e) 800 Customer Service Center Representatives
  
3. Do you currently have staff located in the State of New Hampshire? If yes, where is your office located? If no, where is the closest office?
  
4. Describe the team that would deal directly with the State on an ongoing basis. Indicate size, roles, experience, and turnover rates. In addition, provide a brief resume for each individual.
  
5. Will you need to add local or onsite employees in order to provide the required services to this Plan? If so, state the number of additional staff required, by job title and function.
  
6. What is the average number of account relationships for each member of the proposed service team? What is the current number of account relationships for the entire team proposed for this account?
  
7. What location(s) would provide the services described in this RFP?
  
8. Briefly describe the training program and licensing requirements for your field service representatives. What are the licensing requirements?
  
9. Briefly describe the training program and licensing requirements for your 800 customer service representatives. What are the licensing requirements?
  
10. List some of the common topics/issues provided as training to the State's benefit and payroll staff.

## SECTION 2

### Administrative Services Questionnaire

11. Complete the following chart on service standards and turnaround time and any associated guarantees:

Transaction	Turnaround Time	Penalty (\$) for Not Meeting Standard
Issuance of Participant Statements		
Transaction Confirmation Statements		
Hard Copy Plan Level Administrative Reports		
Processing Payroll Contributions		
Processing New Loans		
Hardship/Unforeseen Emergency Withdrawals		
Termination/Rollovers/Direct Transfers for Distribution		
Fund Balance Transfers		
Investment Election Requests		
Contribution Percentage Elections/ Changes		
QDRO Processing		

12. How frequently do you conduct client and participant satisfaction surveys regarding the quality and performance of your deferred compensation services?
13. Are you willing to provide customized surveys, at no additional cost, to assess the success of the education program? (Yes/No).
14. When was the date of your last client/participant satisfaction survey? Describe the results.

#### D. Recordkeeping/Administration

1. What portion of your organization's expenses is related to recordkeeping and system technology development?
2. Does your system have the ability to interface with a Lawson/InFor application version 9.0.1.10 payroll system? (Yes/No) If no, what is your proposed workaround?
3. There are currently 18 political subdivisions that submit manual payrolls, and this number is expected to increase. Are you able to accept manual payrolls? (Yes/No)
4. Are you able to keep a general ledger on a GAAP (Generally Accepted Accounting Principles) basis (i.e. balances with required accruals, not cash basis only) that contains aggregate balances plus all Plan level activity for the period? (Yes/No) What is the frequency with which you can provide this report? Provide samples.
5. Will copies of your administrative forms used by plan participants to request transactions be customized (Yes/No). Briefly describe the level of customization.
6. Describe how your payroll contribution reports identify participants contributing up to the current maximum contribution and identify participants in catch-up status.
7. Describe the turn-around time and method for notifying the State when employees reach their contribution limits.

## **SECTION 2**

### **Administrative Services Questionnaire**

8. For systematic payment distributions, is payment made on a pro rata basis or can a participant elect systematic payment from specific fund(s)?
9. Can you accept manual edits, adjustments, and indicative participant data changes to the contribution input file (i.e., the payroll/deferral file from the State)? (Yes/No)
10. Can you handle negative data from the payroll files (i.e., negative compensation and contributions)? (Yes/No)
11. Are you able to maintain separate accounting of 457 plan deferrals (and rollovers from other 457 plans) and rollovers from non-457 plans?
12. Confirm that you can recordkeep an in-Plan Roth 457.
13. Are you able to fully qualify and process unforeseeable emergency withdrawal requests along with first-level appeals (Yes/No)?
14. Are you able to qualify and process Qualified Domestic Relations Orders with the attorneys representing the parties? (Yes/No) Indicate any role the State will be required to play.
15. Describe your process for searching for missing participants and participants who have not cashed their distribution payment checks.
16. How much historical plan information do you maintain on participants? List the type of information available. How much information is immediately available?
17. Does your recordkeeping system maintain and update beneficiary data? (Yes/No) Will this information be converted during the implementation? (Yes/No)
18. Describe the process you use to track and maintain employee beneficiary data.
19. Do you have the ability to process auto enrollments (Yes/No)? Are you able to handle all electronic and notification processes involved? (Yes/No)
20. How many of your current 457 plan clients have implemented auto enrollment?
21. Do you have the ability to process auto escalation for participants when raises are implemented (Yes/No)? Are you able to handle all electronic and notification processes involved? (Yes/No)
22. How many of your current 457 plan clients have implemented auto escalation?
23. How long does it take to implement an investment change requested by the Commission?

### **E. Loans**

1. Are you fully capable of administering participant loans? (Yes/No)
2. List the different methods available to apply for a loan.
3. When a loan is taken, can a participant elect that the proceeds come from a specific investment option or must they be taken pro-rata?

## **SECTION 2**

### **Administrative Services Questionnaire**

4. Describe the flexibility in your loan repayment processing (i.e., additional payments, missed payments, etc.).
5. List the different methods you are able to utilize for loan repayments.
6. Are you able to handle multiple loans? (Yes/No)
7. How do you handle delinquent and/or defaulted loans?
8. Describe any other features and/or limitations of the loan system not detailed above (i.e., loan modeling, amortization scheduling, etc.).

### **F. Systems Capabilities and Hardware**

1. What system do you use to recordkeep and administer defined contribution plans?
2. Was the software developed internally, leased, or purchased from another provider? Who has the ultimate responsibility/authority to make sure the software remains current with respect to laws, regulations, and client needs?
3. How long have you used these systems for deferred compensation recordkeeping?
4. Are you planning any major change in the software or hardware supporting your recordkeeping system in the next 24 months? If yes, please describe.
5. Briefly describe your documented disaster recovery plan. How often do you test your recovery system?
6. Where is your main data processing center located? Where is your back-up center located?
7. How often is data backed-up?
  - (a) Describe any system outages within the last three years and how have they been handled.
  - (b) Has any liability resulted from these outages, and are there any pending claims related to these outages?
8. Describe in detail your procedures and safeguards used to guarantee:
  - (a) Security for your hardware and facility
  - (b) Authorized access to data
  - (c) Confidentiality of data
  - (d) Security for any hard copy of plan-related data or documents
9. Provide a current SSAE16 audit of your recordkeeping system, or any other audit you have performed. Who completes the audit and how frequently?
10. Provide a current SOC 2-IT audit report, or any other IT audit you have performed. Who completes the audit and how frequently?

## **SECTION 2**

### **Administrative Services Questionnaire**

#### **G. Custodial Trustee**

1. For the custody/trustee services you propose, what is the name of the trust company, the total number of years that they have been in operation, and the assets under custody as of December 31, 2014?
2. What are the total public deferred compensation assets currently under the custodian?
3. Are there any restrictions by investment type that pertain to your custodial services? (Yes/No) If yes, what?
4. Confirm that you will trustee outside investment funds.
5. Do you have a limit on the number of checks/wires available to participants who rollover their distributions or take installments? (Yes/No)
6. Do you have an electronic link with the investment managers for updating participants' accounts on the recordkeeping system? (Yes/No)
7. Will the State be required to execute a custodial agreement with your custodial trustee or will it be part of the contract with the State? If yes, provide a copy.

#### **H. Regulatory/Compliance Service**

1. Describe how you monitor §401(a)(9) required minimum distributions including:
  - Identification of individuals
  - Determination of the amount of the minimum required payment
  - Payment within required deadlines.
2. Describe your capabilities and time frames for monitoring maximum deferral limits and the catch-up provisions.
3. As part of your service, do you provide an annual benefits file, containing financial and non-financial data by participant? (Yes/No)
4. What resources do you have to obtain legal opinions, interpretations of laws, regulations, and other matters on issues pertaining to deferred compensation plans?
5. Acknowledge and describe in detail your fiduciary responsibility with respect to the Plan.
6. How will you ensure that the Plan remains in compliance with all applicable federal and state statutes and regulations?
7. How do you ensure that your recordkeeping system is in compliance with all applicable federal and state statutes, rules and regulations, the State plan document, and the contract?
8. How quickly are changes in the law reflected in the system?

## **SECTION 2**

### **Administrative Services Questionnaire**

9. Should the State wish to comply with 408(b)(2) and 404(a)(5) regulations, will you provide 408(b)(2) disclosures to the State and 404(a)(5) disclosures to participants? (Yes/No) If yes, is there an additional cost?

#### **I. Communication & Education**

1. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.).
2. Provide samples of initial enrollment and on-going communication and education materials.
3. Describe the services you offer in the enrollment process. Be sure to include such items as monitoring, contacting, communicating with, and tracking enrollment of new hires. Will you maintain and control the inventory of all related enrollment materials that are to be included in the enrollment kits? (Yes/No)
4. What methods (e.g. forms, internet, etc.) are available for participants to enroll?
5. Describe the communication and education process that you provide for non-active participants (i.e. retirees and terminated employees with assets in the Plan).
6. Will you provide participants with onsite, group education and retirement planning sessions or financial/pre-retirement seminars on an on-going basis? (Yes/No). If yes, please list the titles of the subjects that are covered in your program. No description necessary.
7. Do you offer video or web-based educational programs to participants and retirees? (Yes/No). If yes, please list the classes/courses currently available. No description necessary.
8. Do you provide information to Plan participants regarding options on distributions? (Yes/No) Describe any services or programs you provide for participants, both retirees and terminated, leaving the Plans.
9. Describe the State's role in the communication, education, and enrollment process.
10. To what extent can the Commission customize communication and investment education materials (e.g., plan name, logos)? Please state if there would be additional charges for customizing or editing these communication materials.
11. Can you assist participants who elect to transfer their 457 account assets to purchase service credits? (Yes/No)
12. Describe your proposed strategy for coordinating and integrating plan education and communication activities and materials with those of the NHRS (defined benefit) retirement system.
13. How do you measure the success of your educational programs?

## **SECTION 2**

### **Administrative Services Questionnaire**

#### **J. Plan Sponsor Reporting**

1. Describe the standard reporting package that you would provide the State (provide samples).
2. What is the standard timeframe for providing a hard copy of these reports to the State?
3. Will the State be able to generate these reports on-line? (Yes/No)
4. Are ad-hoc Plan level reports available? (Yes/No) If yes, what? Are they available online? (Yes/No)
5. What is the turn-around for providing quarterly investment asset reports for the investment performance analysis?
6. List the types of demographic participant data will you be able to provide.

#### **K. Participant Reporting**

1. Describe your standard participant statements and documents (provide samples).
2. Are there any differences between your hard copy statements and the statements available online? (Yes/No) If yes, briefly describe the differences.
3. What time periods are illustrated for a participant's personalized rate-of-return?
4. Describe your customization capabilities for participant statements. Are these applied to both hard copy and electronic statements? (Yes/No)
5. Are participants able to additionally customize the statements they receive (hard copy or electronic)? (Yes/No)
6. How much space is there for customized messages from the State on your quarterly participant statement? Is this included on both hard copy and electronic statements? (Yes/No) Is there an additional cost?
7. Can you include other printed information, prepared by the State, with the mailing of statements to participants? (Yes/No) Is this included on both hard copy and electronic statements? (Yes/No) If so, please verify that this service is available at no additional cost.
8. Are fees disclosed to plan participants on the quarterly statements? (Yes/No) What additional fee disclosure, if any, do you provide?

#### **L. Automated Voice Response System (VRS)**

1. Are there any transactions that cannot be processed through the voice response system (i.e., PIN changes, address changes, etc.)?
2. How quickly is the VRS updated after transactions are performed?

## **SECTION 2**

### **Administrative Services Questionnaire**

3. In the situation whereby a participant calls the VRS but does not properly complete the transaction, is there any follow-up with the participant? (Yes/No)
4. Can participants request contribution deduction changes through the VRS? (Yes/No)  
Can you provide an automated feed back to the State to update their payroll records and contribution changes (whether based upon dollar amounts or percentages of pay)? (Yes/No)
5. Does your VRS accommodate non-English speaking participants? (Yes/No) What languages?
6. Does the VRS accommodate the hearing/speech impaired participants? (Yes/No)
7. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
8. Describe any security breaches that resulted in improper access to one or more participant's accounts within the last three years, and the steps you took to remedy the breach.

### **M. 1-800 Customer Service Center**

1. What are the standard hours of operation of your customer service center?
2. Where is your customer service center located?
3. Where is your back-up customer service center?
4. Are there transactions that cannot be processed? (Yes/No) If yes, what?
5. Can employees enroll in the Plan through the customer service center?
6. Can participants change their PIN through a CSR? Can PINs be reset and immediately provided to a participant during the call? Can participants call the customer service center and have a new PIN sent directly to their home address?
7. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
8. Provide the following information on your customer service reps:
  - (a) Licensing requirements in addition to your training program
  - (b) Relationship: employees or outside contractors
    - i. If contractors or a combination, include the percentage of each & duration of subcontractor agreement
  - (c) Average tenure
  - (d) Total CSR agents employed year-round basis
9. Do you dedicate CSR's to specific accounts? (Yes/No) If yes, how many would be dedicated to the State?
10. Do CSRs back up your Internet site? (Yes/No)

## SECTION 2

### Administrative Services Questionnaire

11. Do you monitor participant calls for quality control? (Yes/No) In what manner and how frequently?
12. How long do you maintain the records of conversations?
13. With respect to complaints, what is the follow-up procedure for complaints about CSRs?
14. Provide the information below on your service center standards:

	Performance Standard	4th quarter 2014	3rd quarter 2014	2nd quarter 2014
Number of calls				
Average length				
Average response time				
Percentage requiring follow-up				
Abandonment rate				
Percentage handled 100% via VRS versus 1-800				

### N. Internet Services

1. Provide an Internet address and instructions on how to access a demonstration of your Internet capabilities for the participant site.
2. Describe your participant website capabilities.
3. Specify any transactions that cannot be completed via your Internet site.
4. Do you have a mobile app or mobile optimized website? (Yes/No) Are the limitations to the functionality versus the full site? (Yes/No) If yes, what?
5. What communication materials or tools do you offer the Plan participant via the Internet?
6. Do you offer an automated enrollment process through the Internet? (Yes/No)
7. Can participants e-mail account specific questions via the Internet site? (Yes/No) If yes, who receives the e-mail, researches the issue, and responds? What is the turnaround time?
8. Does your Internet site have the ability to download participant account information software programs (i.e. Quicken, Mint, etc.)? (Yes/No) If yes, which programs?
9. How do you ensure that the plan website is kept up-to-date, including online administrative forms, investment and performance data, and plan information?
10. Describe the security through which a participant passes to use your Internet system. What firewalls do you have in place for your Internet services?
11. What improvements to your Internet capabilities are planned to occur in the next two to three years?

## SECTION 2

### Administrative Services Questionnaire

12. Are the same improvements being made to your mobile capabilities? (Yes/No) If no, briefly describe what is being done to enhance your mobile capabilities.
13. Provide an Internet address and instructions on how to access a demonstration of your Internet capabilities for the plan sponsor site
14. Describe any online capabilities that your system provides for plan sponsor access.

### O. Field Service Representatives

1. How many onsite, field service representatives are you assigning to the Plan? Will they be 100% full-time dedicated representatives? (Yes/No) If no, what percentage of their time will be dedicated?
2. Provide your rationale for determining the appropriate staffing for the Plan.
3. Describe the structure of how the field service representatives would be organized to service this relationship:
  - (a) Location
  - (b) Staffing (including functions to be performed)
  - (c) Standard hours of operation
  - (d) How you would handle pre-scheduled consultations?
  - (e) How you would handle walk-ins?
4. What is your annual cost associated for each dedicated service representative?
5. Will you need to hire any additional staff in order to service the State's account?
6. Briefly describe the credentials and related experience of local service representatives who will be assigned to the State's account.
7. If the representative are responsible for additional accounts, how many?
8. Will the representatives assigned to the State's Plan be employees of your firm?
9. Detail the compensation structure for the local representative (e.g. 85% salary, 15% bonus). Include an explanation of how any bonuses and incentives are determined.
10. Are local representatives incentivized in any way to solicit outside products that are not directly associated with the State's Plans? (Yes/No)
11. Are field service representatives available to discuss the plan and investments with participants on a one-on-one basis? If so, how often?
12. Do you offer specific investment advice to participants on an in-person basis other than through the on-line advice provider? (Yes/No) If yes, please describe.
13. How will these discussions be handled (e.g., in person, via telephone)?
14. Identify the annual number of group meetings and number of one-on-one consultations you have assumed will be provided by the field service representatives.
15. Do you have a Registered Investment Advisor to augment your proposed local staffing plan? (Yes/No) If yes, explain the services provided and indicate the amount of time the

## SECTION 2

### Administrative Services Questionnaire

individual would be available to the State. Would there be an additional cost for these services? (Yes/No)

#### P. Investment Advisory Services

1. Describe the investment advisory services that you will be providing to the State (i.e., Morningstar, Financial Engines, etc.).
2. Describe your due diligence process for selecting the partner and what services are provided.
3. What are the costs associated with the advisory services? Is it based on total plan level or only charged to participants who elect these services?
4. Describe the difference between your Internet investment education tools and software and your investment advisory services.
5. Does your service produce asset allocation recommendations? (Yes/No) Does it provide recommendations of specific funds? (Yes/No)
6. Does your investment advisory service include savings rate recommendations? (Yes/No)
7. Does your investment advisory service take into account a participant's assets outside of the State's Plan? (Yes/No) If so, list what assets.
8. Describe the generally accepted investment theories that form the basis for your advice model.
9. What is disclosed to participants regarding your fiduciary role and the provider's fiduciary role with respect to these investment advisory services?
10. How many of your existing clients have subscribed to this investment advisory service? How many are 457 deferred compensation plans?
11. Will the State be required to execute a separate contract with your investment advisory provider or will it be part of your contract with the State? If yes, provide a copy.

#### Q. Self-Directed Brokerage

1. Confirm that you will be able to provide an **in-kind** brokerage transfer of existing self-directed brokerage account assets.
2. Briefly describe any third parties involved in offering of the self-directed brokerage account services and explain their role.
3. Fully describe the self-directed brokerage option features, program design requirements.
4. Does your self-directed brokerage account require any minimum balance? What happens if minimum balances are not maintained?

## **SECTION 2**

### **Administrative Services Questionnaire**

5. Can your brokerage account restrict a participant from investments that are ordinarily not permitted in trustee retirement plans or a part of a “restricted list” established by the plan sponsor (e.g., no precious metals, futures, margin trading, options, commodities, collectibles, short sales, real estate, etc.)?
6. Describe the procedure you will use in monitoring and enforcing the limitations that are currently in place, such as investment in mutual funds only and maintaining a minimum percent of account balance outside the self-directed brokerage option.
7. Describe the rules for transferring from the core options into the brokerage accounts and vice-versa. Are there any restrictions with respect to the transfer of balances between your core defined contribution investment alliance funds and the self-directed brokerage account?
8. During what hours of the day are client service brokerage representatives available to respond to participant trading questions and inquiries?
9. Do participants receive a detailed account summary of all assets held in the brokerage account? When? How often?
10. What information from the self-directed brokerage account is reflected and reported on the core participant quarterly statement? On quarterly plan-level reports provided to the plan sponsor?
11. Will the State be required to execute a separate contract for self-directed brokerage? If yes, provide a copy.

### **R. Plan Implementation**

1. Explain your implementation/conversion process including timeframe, based upon a January 1, 2016 conversion.
2. By what date would you need authority to proceed to accommodate a January 1, 2016 asset and recordkeeping transfer?
3. What involvement will be required from the State during the implementation process?
4. Do you have any limitations as to the format/media of participant data?
5. How are investments handled during the conversion process? How are distributions handled to accommodate the continuity of payments to retirees during the conversion period?
6. Describe your procedures during the conversion period to communicate with the State’s non-active employees (i.e. retirees and terminated employees with value in the Plan).
7. What is the standard length of your blackout period?
8. What assurances/guarantees do you provide to the State with respect to a timely implementation?
9. Identify comparable plan conversions in which you have been involved. How many conversions and plan implementations has your company conducted during the past two

**SECTION 2**  
**Administrative Services Questionnaire**

years involving 10,000 employees or more and how many involving 15,000 employees or more?

# **SECTION 3**

## **Request for Proposal**

### **Investment Management Services Questionnaire**

**SECTION 3**  
**Request for Proposal**  
**Investment Management Services Questionnaire**

**The State will ultimately determine the investment line-up that will be implemented moving forward. At this time, Stable Value and in-plan Retirement Income are the only options considered for recommendation.**

**A. Retirement Income**

1. Describe your retirement income product. Is it proprietary or through a third party?
2. Describe the underlying investment structure. Does your product require a specific investment vehicle, a proprietary investment vehicle?
3. What are the fees for the product? Break down as follows:
  - (a) Total fee
  - (b) Investment management fee
  - (c) Annuity or income guarantee fee
4. Describe how the Guaranteed Lifetime Benefit is determined.
5. Is there an annual re-set feature? (Yes/No) If yes, when does it occur? Does it re-set during both accumulation and withdrawal?
6. Describe the beneficiary features of your product. Is it limited to spousal beneficiaries?
7. Can participants stop their distributions or opt out of the product?
8. What is the earliest age to begin payments?
9. What is the frequency of payments?
10. What are the portability features if the State changes providers?
11. How many government plans have adopted your proposed product?
12. Are you able to recordkeep the Great West SecureFoundation product? (Yes/No) If no, what would enable it to be offered as an investment option on your platform?
13. Briefly describe other options you have assist participants with guaranteed retirement income.

**B. Stable Value**

1. List the stable value products available on your platform.
2. Provide your most recent ratings from A.M. Best, Moody's and S&P.
3. What stable value product are you proposing for the State and why?
4. For the proposed product, does old money receive the same rate as new? If not, describe.

**SECTION 3**  
**Request for Proposal**  
**Investment Management Services Questionnaire**

5. Complete the following charts for the proposed product as of December 31, 2014:

<b>Manager</b>	
<b>Vehicle</b>	
<b>Fund Name</b>	
<b>Class</b>	
<b>Fund Inception</b>	
<b>Fund Assets (\$B)</b>	
<b>Total Firm Stable Value Assets (\$B)</b>	
<b>Effective Duration</b>	
<b>Market-to-Book Value Ratio</b>	
<b>Gross Crediting Rate *</b>	
<b>Net Crediting Rate *</b>	
<b>Crediting Rate Reset Frequency</b>	
<b>Minimum Crediting Rate</b>	
<b>Recommended Benchmark</b>	
<b>Benchmark for Underlying Portfolio</b>	
<b>Expense Ratio</b>	
<b>Trustee</b>	

\* Gross of investment management fees, net of wrap fees, sub-advisory fees and other expenses

**Book Value Structure**

	<i>% allocation</i>
Liquidity Buffer	
Wrap Providers <i>Please list wrap providers below</i>	
<b>Total</b>	<b>100%</b>

6. Is wrap capacity contingent on affiliated investment management? (Yes/No)

<b><u>Fees</u></b>	
Investment Management	
Wrap	
Revenue Share	
Other	
<b>Total Expense Ratio</b>	

\* Specify Other

**SECTION 3**  
**Request for Proposal**  
**Investment Management Services Questionnaire**

7. Do you anticipate any changes in wrap fees that would impact the total expense ratio? (Yes/No)  
 If yes, what is the expected impact?

<b>Quality Allocation</b>	<b>%</b>
Cash/cash equivalents	
AAA	
AA	
A	
BBB	
Below Inv Grade	
NR	

<b>Sector Allocation</b>	<b>%</b>
Cash/cash equivalents	
U.S. Treasury	
U.S. Govt-Related	
Corporate	
Agency MBS	
Non-agency MBS	
ABS	
CMBS	
Municipal	
Other	

\* Specify Other

8. Fully describe the withdrawal/transfer restrictions for both the Plan and participants.
9. Provide returns as of December 31, 2014 for the proposed product:

<b>Trailing Returns</b>	<b>3-Mo.</b>	<b>YTD</b>	<b>1-Yr</b>	<b>3-Yr</b>	<b>5-Yr</b>	<b>7-Yr</b>	<b>10-Yr</b>	<b>Inception</b>
Product								
Benchmark								
<b>Annual Returns</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>-</b>
Product								
Benchmark								

\* Returns should be gross of investment management fees; net of wrap/subadvisor/other

\* Periods greater than 1-year should be annualized

# **SECTION 4**

## **Request for Proposal**

### **Fee Questionnaire**

**SECTION 4**  
**Request for Proposal**  
**Fee Questionnaire**

1. What are the factors you consider in determining future fee decreases and when they are to occur?
2. What is the total estimated revenue that you would expect to receive from the stable value fund and retirement income product?
3. The State expects favorable fee renegotiations as the Plan's assets increase during the contract period. These fees would pertain to both the administrative fees and credit allowances of the Plan. How frequently will this be addressed and implemented?
4. Describe your fee leveling capabilities. What different arrangements are available?
5. Do you have the ability to return excess revenue sharing to participant accounts from which it was generated? If no, are you in the process of developing this capability? If no, describe how revenue sharing can be utilized and how you will report it to the Plan.

**As noted above, all fees proposed must be best and final. The State will only negotiate with the selected provider.**

**SECTION 4**  
**Request for Proposal**  
**Fee Questionnaire**

**Fee Schedule**

**Vendor Name:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

	Amount	Assumptions underlying the amount
<b>Total fee for all services described in the RFP in basis points (based on all assets)</b>		

\* Should not include any reimbursement for the search or credit allowances

**SECTION 4  
Request for Proposal  
Fee Questionnaire**

**Additional Fees**

**Plan Level**

Services	Fee	Comments
Plan Set-up/Installation (one-time fee)		
Investment advisory services		
Managed accounts		
Plan documents (outside of prototype)		
Check processing		
1099-R forms		
Postage		
Custom website set-up		
Custom website ongoing		
Employee communication & education		
Customized enrollment materials		
Customized periodic newsletter		
Customized communications		
Annual notifications to eligible participants		
Other (be specific)		

**Participant Level**

Services	Fee	Comments
Investment advisory services		
Managed accounts		
Loan administration		
Set-up		
Maintenance		
Self-directed brokerage		
Hardship Qualifications		
DRO Qualifications		
Wire Fees		
Other (be specific)		

**Attachment A**

**State of New Hampshire Employees  
Deferred Compensation Plan**

**CERTIFICATION OF COMPLIANCE WITH  
MINIMUM QUALIFICATIONS OF RFP**

I have read, understand and agree to comply with the minimum requirements specified in this Request for Proposal. Checking "YES" indicates acceptance, while checking "NO" denotes non-acceptance and should be detailed below. Any exceptions **MUST** be documented.

YES \_\_\_\_\_ NO \_\_\_\_\_ SIGNATURE \_\_\_\_\_

EXCEPTIONS: Attach additional sheets if necessary. Please use this format.

**Exceptions Summary Form**

MINIMUM REQUIREMENT NUMBER	EXPLANATION OF NON-ACCEPTANCE

# Appendix

Subject:

**AGREEMENT**

The State of New Hampshire and the Vendor hereby mutually agree as follows:

**GENERAL PROVISIONS****1. IDENTIFICATION.**

1.1 State Agency Name		1.2 State Agency Address	
1.3 Vendor Name		1.4 Vendor Address	
1.5 Vendor Phone #	1.6 Account Number	1.7 Completion Date	1.8 Price Limitation
1.9 Contract(s)ing Officer for State Agency		1.10 State Agency Telephone Number	
1.11 Vendor Signature		1.12 Name and Title of Vendor Signatory	
1.13 Acknowledgement: State of _____, County of _____			
On _____, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace			
[Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace			
1.14 State Agency Signature		1.15 Name and Title of State Agency Signatory	
1.16 Approval by the N.H. Department of Administration, Division of Personnel ( <i>if applicable</i> )			
By: _____		Director, On: _____	
1.17 Approval by the Attorney General (Form, Substance and Execution)			
By: _____		On: _____	
1.18 Approval by the Governor and Executive Council			
By: _____		On: _____	

## **SECTION 5**

### **Request for Proposal**

#### **Appendix**

**2. EMPLOYMENT OF VENDOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages Vendor identified in block 1.3 ("Vendor") to perform, and the Vendor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Vendor commences the Services prior to the Effective Date, all Services performed by the Vendor prior to the Effective Date shall be performed at the sole risk of the Vendor, and in the event that this Agreement does not become effective, the State shall have no liability to the Vendor, including without limitation, any obligation to pay the Vendor for any costs incurred or Services performed. Vendor shall complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.** Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Vendor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT(S) PRICE/PRICE LIMITATION/ PAYMENT.**

5.1 The contract(s) price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract(s) price shall be the only and the complete reimbursement to the Vendor for all expenses, of whatever nature incurred by the Vendor in the performance hereof, and shall be the only and the complete compensation to the Vendor for the Services. The State shall have no liability to the Vendor other than the contract(s) price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Vendor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY VENDOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Vendor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Vendor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Vendor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Vendor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Vendor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Vendor further agrees to permit the State or United States access to any of the Vendor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Vendor shall at its own expense provide all personnel necessary to perform the Services. The Vendor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Vendor shall not hire, and shall not permit any subvendor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a

## **SECTION 5**

### **Request for Proposal**

#### **Appendix**

State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contract(s)ing Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contract(s)ing Officer's decision shall be final for the State.

#### **8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Vendor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Vendor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Vendor notice of termination;

8.2.2 give the Vendor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract(s) price which would otherwise accrue to the Vendor during the period from the date of such notice until such time as the State determines that the Vendor has cured the Event of Default shall never be paid to the Vendor;

8.2.3 set off against any other obligations the State may owe to the Vendor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

#### **9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.**

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**10. TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Vendor shall deliver to the Contract(s)ing Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract(s) price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

**11. VENDOR'S RELATION TO THE STATE.** In the performance of this Agreement the Vendor is in all respects an independent Vendor, and is neither an agent nor an employee of the State. Neither the Vendor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACT(S).** The Vendor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontract(s)ed by the Vendor without the prior written consent of the State.

**13. INDEMNIFICATION.** The Vendor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Vendor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

## SECTION 5

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### Appendix

#### 14. INSURANCE.

14.1 The Vendor shall, at its sole expense, obtain and maintain in force, and shall require any subvendor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Vendor shall furnish to the Contract(s)ing Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Vendor shall also furnish to the Contract(s)ing Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contract(s)ing Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

#### 15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Vendor agrees, certifies and warrants that the Vendor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Vendor is subject to the requirements of N.H. RSA chapter 281-A, Vendor shall maintain, and require any subVendor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Vendor shall furnish the Contract(s)ing Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Vendor, or any subVendor or employee of Vendor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Vendor.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.