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ADDENDUM 1

November 18, 2016

RFP 17MISC3, 403(b)/457(b) Programs and Services for Employees of Frederick County Public Schools

Proposal Due Date: 11:00 A.M., December 6, 2016

This addendum is being issued to clarify questions submitted by vendors and provide a conference call-in number for the above referenced RFP.

Conference Call-In scheduled for November 21, 2016 at 11:00 A.M.:

Call Number: 855-921-6850

Guest Pin: 964-024-764

Questions and Answers:

1. In Section II – Specific Terms and Conditions, Item 5b indicates that “The Technical and Cost proposals will be submitted in separate envelopes. Item c contains instructions for submitting the Technical Proposals, but there are no instructions on what to include in the Cost proposal or how it should be submitted.
This is FCPS standard boiler plate language and separate technical and cost proposals for this solicitation is not applicable.
2. In Section II – Specific Terms and Conditions, Item 2.4 References indicates to provide 5 references, preferably governmental K-12 employers. Question 4.10 of the RFP Questionnaire indicates to provide at least 3 K-12 School District clients to be contacted as references, preferably in Maryland. Are 3 or 5 references required?
Please provide a minimum of 3. Maryland references preferred.
3. Question 4.2 of the RFP Questionnaire indicates the following. What is the Section D – Provider Compliance Questionnaire referred to?
This requirement was left in the RFP by mistake. TSACG handles the compliance requirements.
4. How many vendors will the plan select?
As stated in the RFP anywhere from 4 to 6 depending on the total offerings submitted. That evaluation will be made once responses are graded and the variety of products and services is compiled.
5. What are the plan assets by plan held at each of the currently approved vendors?
This information is not disclosed as part of this RFP.

6. What transfer restrictions are there for each of the currently approved vendors for assets held in accounts established on or after 1/1/2009?
Each existing provider has different product structures and fees for account transfer. There are no transfer restrictions other than possible transfer fees or surrender charges.
7. Section 2.6.1 on page 32 requests a list of all employees who will be working under the current contract, any intention for additional personnel, and back-up personnel for each function. It references "Attachment A" for detailed guidelines. Attachment A was not provided along with the RFP.
This is standard boilerplate language in FCPS bids. Please provide biography information on all company representatives specifically assigned to service FCPS staff and employees.
8. What are the total assets in both plans across all providers?
Total Assets with Authorized Providers are approximately \$165 million. Total assets for all providers is approximately \$167 million.
9. What are the annual contributions to each plan across all providers?
Approximately \$11 million
10. How many total participants are recordkept across all providers?
Approximately 3,500
11. What is the expected implementation date?
February 1st – All deselected providers will be grandfathered with contributions continuing for employees investing with those companies, thus there is no need for a transition time period.
12. We did not receive the proposal worksheet mentioned under section I- General Terms and Conditions, 9H. Are we missing a section of the RFP?
This is not being provided under this RFP as it does not pertain to this type of offering.
13. Under section II 4.6, bullets 5 & 6 read the same. Are one of the bullets supposed to read 457, instead of 403(b)?
Yes, the last bullet should read "Identify the three largest 457(b) plans administered, as measured by the number of assets administered by your company"
14. Frederick County Public Schools currently has 10 approved 403(b) and 457(b) providers in their plan. What do you believe the eventual number the Insurance Council of FCPS (IC) will want to have in the voluntary savings programs that continues to maintain adequate choice of investments and services?
4 to 6 providers is the initial number but is subject to change based on RFP responses received.
15. What is the participation rate (as % of eligible employees) for Frederick County Public Schools? Could you differentiate that rate by 403(b) and 457(b) plan types please?
The participation rate in 403(b) is approximately 40%. The 457(b) plan has not been in place long enough to provide meaningful figures.
16. Does Frederick County Public Schools have a timeline where they may be considering moving to the IPX system, similar to what Washington County Public Schools is in the process of doing or is this not an item in discussion currently?
The IPX system is not being considered for FCPS at this time
17. What does "improving their pricing models for new accounts" mean for an existing provider in responding to this RFP? Would this be adjusted pricing going forward for new accounts or also applied to existing accounts?
More aggressive pricing is always a positive. Please define your pricing on a go forward basis for new accounts and provide any information you can on improving pricing for existing participants in your plan if available.

18. What is your overall expectation for on-going financial education and enrollment meetings and what access will be provided to do so?
One of the goals of limiting the number of companies marketing to employees is to increase the access and provide more financial education in an organized and substantial way.
19. Can you please offer a more detailed explanation on what is being asked under question 5.1.2? More specifically, is the word “product” referring to each of the investment options (i.e. mutual funds in the approved investment line-up)? If the word “product” is not referring to the investment options, what is it referring to? Providing an example would be helpful. Some companies offer a range of different investment products such as a fix annuity, variable annuity or mutual fund platform. If you are submitting multiple product lines, please define how each will be sold and what goals they are designed to accomplish for the participant. If you only have one product offering, describe how that product could be tailored to fit the goals of participant in each stage of their career.
20. Termination for Convenience (#22) in General Terms and Agreements conflicts with RFP Section II, 2.2. the former says 30 day’s notice with the latter section saying 90 days’ notice. – which is the accurate number of day’s notice?
90 days.
21. New Goals do not mention investment product improvement. Is it the expectation that vendors selected would have upgraded existing annuity and/or mutual fund platforms?
Of course this would be preferred.
22. New goals state the existing participants contributing to deselected vendors will be permitted to continue contributing to those vendors. Will new participants be limited to remaining vendors only?
Yes
23. Maintaining contributions to deselected vendors may not result in FCPS employees benefit from any investment product improvements. Is this provision something FCPS is willing to reconsider?
The new offerings will be available for all participants so if better pricing is available, a grandfathered participant is able to change to one of the newer offerings.
24. Pricing: a) and b) seem to conflict. One says pricing shall remain firm through initial contract period. The second says FCPS expects vendors to provide year-over-year cost reductions. Should vendors submit breakpoint pricing scenarios?
This is not applicable to this RFP. Please provide your best product pricing for the entire term of the contract.
25. How many FCPS employees are actively contributing to the 457(b) plan?
2,690
26. Does FCPS have plans to amend either plan in the future for new provisions, such as auto enrollment, as an example?
It is anticipated that partnering with the remaining companies will increase financial awareness and increase participation significantly. If these efforts are unsuccessful, then automatic enrollment is an option that may or may not be considered.
27. Section 3.3.2 requires a customer service office in the “Greater Frederick Area” that includes adjacent counties? Is this requirement only limited to adjacent counties or is there a broader definition of “Greater Frederick Area” such as Maryland and/or Northern Virginia?
It is anticipated that services will be local for participants. If you will not have a local office, please comment in your opening letter how you will provide for effective servicing.

28. General Terms and Conditions, #43, covers Conflicts of Interest. TSA Consulting Group is listed as FCPS's plan administrator, the consultant to the RFP yet TSA Consulting is affiliated with FPS Trust, the recordkeeper for the FCPS Simplified Enrollment Retirement Savings Option. How is FCPS going to manage this conflict of interest in that TSA is the RFP consultant and is also affiliated with a vendor to the plans?
The FCPS Simplified Enrollment Savings Option is recordkept by FPS Trust Company. TSACG receives no compensation for any participation in that plan specifically to avoid any conflict of interest. It is the goal of this selection process to reduce the need for this program and to assist in promoting simplified enrollment to all providers remaining in the plan.
29. New Goals states that the final number of service based offerings will be between 4 and 6 with one or more-no load offerings selected. Is the final number based on unique vendors or is FCPS expecting to select a aggregated recordkeeper, such as FPS Trust, that would recordkeep a number of different mutual fund companies?
Unique vendors. There will not be an aggregated recordkeeper.
30. Evaluation Criteria and Award do not list price as a determining factor in the evaluation. Is this correct?
The overall product offering always includes pricing as a component. It is not the sole criteria in the evaluation as the service level component is factored in.
31. Section 3.1.2 seems to indicate that other investment products may be offered although they are not currently a vendor to the plan, is this accurate?
This invitation is only extended to the current providers. FCPS always reserves the right to add other providers if the results of this bid do not satisfy the intended goals.
32. Section 3.3.6 refers to group presentations at central locations. What frequency does FCPS expect for these required meetings?
This will be determined as a part of the go-forward strategy for increasing participation. Quarterly meetings would be normal but this could change.
33. What are the underlying investment products FCPS uses from all current vendors, annuities or mutual funds?
Both
34. Is FCPS' IC opposed to managed investment advisory services?
No
35. Is there a breakdown of assets under management by vendor/providers?
This information is not available as part of this RFP.

Thank you for your interest in bidding with Frederick County Public Schools.

Sincerely,

Kim Miskell

Kim Miskell
Buyer Specialist

KM/rlu