



RFP 20-23-02 Defined Contribution Consultant

Questions & Answers

- 1.) Is the scope of services being requested in this RFP consistent with services currently being provided?

Yes

- 2.)
- What is the annual fee paid to your current consultant? Does the fee cover the scope of services requested in this RFP? Is there anything charged a-la-carte?
 - Are you able to disclose the current consulting fee structure?

The fee arrangement with the incumbent consultant is for an annual retainer of \$75,000 which is stated as \$65,000 for the work on the Retirement Savings Plan and \$10,000 for the Deferred Compensation Plan. Additional amounts for project work are included in the contract as well. Relevant project fees within the current contract include \$50,000 for a recordkeeper RFP and \$30,000 for implementation if a change in recordkeeper is occurs.

- 3.) Please provide a copy of the consultant's most recent report.

Please see attached document "Question 3 – Quarterly Report Example"

- 4.) What vendor RFPs have been completed over the last five years? Is there a schedule of RFPs to be completed over the next consultant's contract?

In 2019, a search was conducted for both recordkeeping services and retirement income solutions. No defined contribution searches are currently scheduled (not including the current DC consultant search, which we are required to issue an RFP for every 5 years).

- 5.)
- How frequently is the current consultant meeting with the Board and staff?
 - We understand that the hired consultant is to attend investment committee meetings "when defined contribution items are being discussed". Attendance for other Staff and/or Board meetings may also be requested. Can you advise of the committee meeting dates for 2022/2023? Are these to be attended in person?

The hired consultant will attend SURS Investment Committee meetings as needed, including an annual review of the SURS defined contribution program which currently takes place as part of the March Investment Committee meeting. SURS holds seven Board meetings each year, but not all of these have DC related items on the agenda. In the past, Board meetings were all in person, but have been conducted via videoconference more recently. When in-person Board meetings resume, Vendors will still likely be able to attend virtually in some

cases depending on the complexity and importance of a topic. For instance, the consultant would attend in person for the annual DC review or the conclusion of a recordkeeper search but would probably be able to attend via videoconference for a single fund change recommendation. Out of SURS' seven Board meetings per year, we expect that the DC consultant would be asked to attend three or fewer of these in a normal year (assuming no recordkeeper RFP or other significant DC search activity)

A schedule of SURS Board of Trustees meetings can be found at <https://surs.org/events/category/board-of-trustees/list/> These meetings generally take place in Chicago, IL or in Champaign, IL.

In addition to investment committee meetings, our DC consultant currently attends a monthly update call with SURS staff, a weekly operations call with our recordkeeper, and other calls and meetings as needed.

- 6.) Minimum qualification #2 states that "the responder must be willing to enter into a most favored nation clause." Can you please further explain how you define most favored nations? Would a retainer using the same pricing structure for the provided scope of work in lieu of an exact pricing equivalent suffice?

Appendix B, Question #2 states, "The responder must be willing to enter into a most favored nation clause certifying that the fees, costs, or pricing charged to SURS do not exceed the fees, costs, or pricing charged by the responder to any of its clients for the same or similar level of services." What constitutes "fees, costs, or pricing... for same or similar level of services" will depend on how the fee schedule is structured under the agreement and is not limited to exact pricing equivalents. The MFN clause would also require the vendor to notify SURS if the vendor provides more advantageous fee terms to other clients for same or similar level of services, and provide SURS with the opportunity to incorporate the more advantageous terms in the agreement.

- 7.) In consideration of the current RFP for SURS' defined benefit plan, does bidding on that mandate remove a consultant's eligibility to bid on this mandate?

No. Qualified firms are welcome to respond to both searches. The evaluation of the DC responses will be independent of the DB responses, and vice versa.

- 8.) We understand that SURS' current consultant acquired three firms last year, including your former consulting firm. Are these acquisitions a factor in the issuance of this RFP? Are there any service-related concerns?

In accordance with the Illinois Pension Code, 40 ILCS 5/1-113.14, a consultant contract cannot exceed five years. The contract with SURS' current defined contribution consultant expires on March 31, 2023.

- 9.)
- What is the biggest investment-related issue the Committee is currently facing?
 - Are there any investment initiatives being planned for the next 12-18 months? If so, what are they?

In addition to continued monitoring of overall DC program, providers, and investment options, the main initiative being worked on for the near or intermediate term is preparing

for automatic enrollment of new members into the SURS Deferred Compensation Plan as of July 1, 2023.

- 10.) Regarding the *Appendix C – Diversity Disclosure* form, our firm does not track this level of data for our vendors. As such, how should the “Service Provider Reporting” tables be completed?
Please enter a numeric response of zero for fields where you do not track or do not have data available.

- 11.) We understand there is an aspirational goal of not less than 20 percent of contracts awarded to MWDBE businesses. Our firm is women-owned. To be considered an MWDBE business, do we need to be certified as such?
Proposals from qualified Women-, Minority-, or Disabled-Owned Businesses are exempt from the minimum qualification criteria items #7 and #8 in Appendix B and will be evaluated for further consideration at SURS’ discretion. Firms should have 51% or greater equity ownership held by diverse individuals to claim exemption from those criteria, but do not need to be certified to do so.

- 12.) Can you please confirm whether providers of investment advisory services are required to comply with SURS’ drug-free workplace policy? Given our work environment (non-manufacturing, non-warehousing, non-medical), we do not find it necessary to drug test individuals unless there is a reason to do so.
All vendors who do business with SURS, including Investment advisory service vendors, are required to certify compliance with the Drug Free Workplace Act under 30 ILCS 580 as a term of the contract.