

COMMUNITY
MENTAL HEALTH
& SUBSTANCE ABUSE
SERVICES
OF ST. JOSEPH COUNTY

REQUEST FOR PROPOSALS

**Money Purchase Pension Plan, 414(h) and
Deferred Compensation Plan Services 457(b)**

Community Mental Health and Substance Abuse Services of St. Joseph County
Request for Proposals For
The Money Purchase Pension Plan (MPPP), 414(h), And
Deferred Compensation 457 (b) Programs

I. INTRODUCTION

A. Purpose of RFP

SJC-CMHSAS is requesting proposals for a Third Party Administrator/Money Manager/Fiduciary to manage the Money Purchase Pension Plan (MPPP, 414(h) Defined Contribution Plan, and Deferred Compensation Plan 457 (b)) for its employees. In addition to managing these plans, SJC-CMHSAS seeks to find a provider to explore the possibilities of greater investment returns, additional products, and provider services for employees.

B. Term of Engagement

SJC-CMHSAS expects to award this contract for a minimum of a 3 year period with the option for a 2 year renewal of the contract with the same terms and conditions. SJC-CMHSAS reserves the right to terminate per contractual agreement between SJC-CMHSAS and provider.

C. RFP Timeline

Activity	Timeline
Issuance of RFP	Posted 09/15/19
Questions from Applicants sent to cbullock@stjoecmh.org	Questions due 09/15/2019 by 5:00 P.M.
Posting of question and answers on the SJC-CMHSAS web-site. (http://www.stjoecmh.org/?page_id=3957)	Questions and answers posted on SJC-CMHSAS website by 09/20/2019
Receipt date of proposals at SJC-CMHSAS	10/18/2019 by 12:00 Noon
Oral Presentations (if needed)	TBD Week of 11/4/2019
Notification of Award	Tentatively, 12/6/19
Contract commences	Tentatively, 1/2/2020

II. DESCRIPTION OF ORGANIZATION

SJC-CMHSAS is an Authority created pursuant to PA 258 of 1974 as amended, to provide Mental Health and Substance Abuse services to the residents of St. Joseph County.

The Authority has one location and approximately 70 employees participating in the plan with a gross annual payroll estimated at over \$3.5 million. The Authority contribute 5.0% of gross wages for union members and 9.5% for management to the MPPP, on a pre-tax basis. The retirement plan currently excludes employees working less than 1000 hours annually and is always 100% vested for all participants. Payroll frequency is every two weeks. Plan contribution deposits match this payroll frequency. Currently the SJC-CMHSAS plans are managed by two companies which provide plan document updates and amendments, trustee/custodial services, record keeping services and investment products.

For the Defined Contribution Retirement Plan- Alternative Social Security Plan, for the year ended September 30th 2018, employer contributions amounted to \$56,868. Employee contributions amounted to \$56,868. The 414(h) is available to non-union employees only. (6.2% employee and 6.2% employer contributions.) For the MPPP, for the year ended September 30th 2018, employer contributions amounted to \$204,999. Employee contribution amounted to \$0.

As of August 19, 2019, the MPPP & 414(h) has a total value of \$3.04 million. The 457(b) has a total value of \$1.4 million. These amounts were invested in a number of fixed and variable fund options.

III. SCOPE OF SERVICES

Scope of Work to be Performed

SJC-CMHSAS would expect the awarded contract holder to be responsible for or assist in obtaining the following:

1. Conduct meetings with SJC-CMHSAS employees at least annually to determine their risk management and investment strategies.
2. Provide educational and retirement planning services to SJC-CMHSAS employees, including varied communication options for customer service.
3. Collect, record, and deposit investment amounts into designated employee accounts.
4. Issue at least quarterly statements regarding asset performance to individual employees and summary descriptions to SJC-CMHSAS.
5. Maintain the plans as Internal Revenue Code (IRC) qualified plans.
6. Update and amend plans as necessary due to changes in Internal Revenue Code (IRC) regulations or other required plan amendments.
7. Propose summary plan descriptions for SJC-CMHSAS employees.
8. Trustee and/or Custodial Services.

SJC-CMHSAS has worked with a bundled service provider in the past and would prefer to maintain that type of relationship in the future. However, it is willing to consider an unbundled or open architecture approach. Candidates not providing all of the services listed above should describe how un-met services will be provided, such as through partnerships with other providers or through attorneys, accountants or other service providers of SJC-CMHSAS.

IV. CONTENT OF PROPOSALS AND STATEMENT OF RFP REQUIREMENTS

The proposals must contain the following information in order to be considered:

A. Cover Letter

A cover letter on firm letterhead must provide the name and title of the person(s) who are authorized to answer questions about this RFP. Please include the following additional information:

- Legal Name
- Address
- Telephone Number(s)
- Fax Number(s)
- E-mail/Web Page Address
- Tax ID Number
- Administrator (name/title)
- Person Authorized to Sign Contracts (name/title)

- Person Authorized to receive financial information from SJC-CMHSAS
- Contact Person and Telephone Number for Deposits

B. Organization

1. Provide an overview of your firm's ownership structure and the general description of your services, including the length of time your firm has been providing/administering defined contribution and deferred compensation plan services.
2. Identify members of the firm who would be responsible for servicing SJC-CMHSAS plans under this proposal, their address, phone number, fax number, and e-mail addresses. Please provide vitae, certifications and length of service with your organization and prior experience with plans of our sizes and types.
3. The Firm must provide an affirmative statement that members responsible for servicing SJC-CMHSAS plans are licensed to practice in Michigan. The firm must confirm in writing that criminal background checks are performed for each staff person, and that each staff person handling funds is bonded. The firm must include copies of required insurance coverage to practice this profession in Michigan.
4. What are the total assets under your management for defined contribution and deferred compensation plans, and what is the median size of these plan assets?
5. Describe your target market in the number of participants or assets. Do you administer plans that are equivalent in size (assets or participants to SJC-CMHSAS plan, and if so, how many?
6. Provide names of parent companies and subsidiaries that are affiliated with your organization. Describe your alliances with other investment management companies. Are there any pending agreements to merge or sell your organization? If yes, please explain.
7. Describe any litigation, past or pending, against your organization resulting from or due to your administration of defined contribution plans or deferred compensation plans. Describe any disciplinary action or citations against your organization from any regulatory bodies in the last ten years.
8. Describe your internal performance standards and how you monitor those standards and respond to circumstances where you do not meet those standards.
9. Describe your policy regarding conflicts of interest.
10. List the percentage of your business that is dedicated to the service of plans of government employees and list the number of government employers for whom you provide retirement plan support, products, and services.
11. Describe the number of clients in each service area, and of those, the number for whom you are providing full service and those for whom you are providing partial service. Describe whether any client accounts for more than 5% of your gross revenue.
12. Provide a copy of a proposed service agreement containing a completed and detailed description of proposed services and all fee elements.
13. Describe the number of clients that have left you in the last three (3) years and their reasons for leaving.
14. Do you receive any 12(b)-1 fees or other payments from persons other than your clients? Are these payments used to reduce our costs? Do you receive any revenue sharing or fees that are not paid directly from us as plan sponsor?

C. Client Services (Services, Education, Communication and Reporting)

1. Services

- a) Describe the investment education you provide to participants. If this plan were covered by ERISA, describe how your services do not meet the requirements of proposed ERISA regulation section 2550.408b-2 regarding fee disclosures and investment advice under proposed ERISA regulation section 2550.408g-1.
- b) What administrative functions does the plan sponsor retain?
- c) Describe in written form how you guarantee service performance, and if so, describe your service standards and potential penalties.
- d) Describe any errors or omissions policy, fiduciary liability of directors and officers or similar liability insurance policies. Be prepared to provide us with copies of those policies if you are selected for further consideration.
- e) Describe the comprehensive financial planning services available to participants. Indicate if these services are provided by a Certified Financial Planner, and list any fees for these services.
- f) Describe any economic benefit you receive from any other investment entity, service provider, intermediary or organization that is or that you propose to serve SJC-CMHSAS. Does your service agreement prohibit you from sharing our employer or any employee information you receive in this relationship with any third party?

2. Client Communication and Education

- a) Will SJC-CMHSAS be assigned to a dedicated, home office account manager or managers? Do you provide a telephone line dedicated to plan sponsors?
- b) Enrollment Support:
 - 1) Describe your firm's standard implementation process, and to what extent the firm supplies:
 - Personnel for presentations to our employees at SJC-CMHSAS locations.
 - Support in training employees on the benefit of the plan and assistance in choosing the correct investment options for each participant. What experience would these support personnel have?
 - Videos
 - Printed material
 - Computer modeling
 - Other media
 - 2) Provide samples of initial enrollment materials used with employees. Can the enrollment materials be customized, and is there a cost with the customization?
 - 3) Do you mail initial enrollment materials?

3. Ongoing Communication

- a) Describe how your firm routinely supports ongoing employer communications. As a standard service, do you produce and distribute any communication

materials directly to participants other than account statements? If so, please describe and provide samples of those communication materials.

- b) Provide a list of communication materials that are standard and materials that are available for a fee.
- c) How do you keep plan sponsors and participants updated on any regulatory and legislative changes?
- d) Describe your procedures for monitoring client and participant satisfaction, and the success of educational programs.

4. **Reporting**

- a) What is your reporting schedule to participants (annually, quarterly or monthly), and will we be able to select a reporting schedule? How soon after the reporting period has ended is information sent to participants, and is the delivery date for reporting guaranteed? If so, are there any penalties if the deadline is missed?
- b) Please provide a sample employee statement. Can statements be customized, and do statements allow for a customized message from the employer? Is there an additional fee for customization, and if so, what is the fee?
- c) What happens if an employee finds a mistake was made in their statement?
- d) List specifically the reports and frequency of reporting you provide to the plan sponsor. Please include samples of reports for plan sponsors.
- e) Are ad-hoc reports available, and if so, list any fees.
- f) Please describe which participant and sponsor reports are available on your website, if applicable.
- g) Can you break down the investment experience, expenses, and account balances on a “per person” basis?

D. Administrative Services/Record Keeping

- 1. What audit procedures do you have in place to assure plan administration integrity and accuracy, including participant account data? Do you provide a year-end audit report (list the firm and at what cost)?
- 2. Describe in detail how you handle enrollments.
- 3. Describe in detail how your system processes contributions, rollovers (in and out), withdrawals, and transfers/exchanges (including frequency/limitations). Do you send confirmations to participants?
- 4. Describe how money is moved among fund alternatives and what the timeframes are involved for this movement.
- 5. In what formats may payroll contributions and information be delivered to you? What is the deadline for you to receive contribution payments and complete the investment of those contributions into the appropriate fund on that same day?
- 6. How do you ensure the employee is credited with the proper amount of vesting in these plans?
- 7. Describe how your system handles Federal and State tax reporting.
- 8. **Record Keeping**

- a) Describe your record keeping system and software used by your firm. How do you control access to the recordkeeping system and what security measures are in place?
 - b) What do you do if an error occurs in the record keeping? In the event of record keeping errors within your control, will you be financially responsible for making participant accounts and the plans whole?
 - c) Are there any additional recordkeeping services which are necessary for the administration of the plans that you do not provide, yes or no? If yes, please describe.
9. Will you, in your role as third party administrator, respond to all or any portion of participant claims? Describe the nature or your involvement.
10. How will you advise us of any statutory or regulatory changes?
11. Do you assist with the preparation of the investment policy statement? Is there an additional charge for this service?
12. Do you offer use of a prototype plan document? Do you require use of a particular document form?

E. Voice Response System (VRS) and Internet Communication

1. Voice Response System (VRS)
- a) Describe the services available through your voice response system, including hours of operation, how participant initiated transactions are processed, and confirmations sent. List any transactions that cannot be processed through the voice response system.
 - b). List security measures that are employed in the voice response system (i.e. PIN, audit trail, confirmations), and how VRS passwords are assigned and changed.
 - c). Can a participant elect to move from voice response to an operator? What training is provided to 1-800 operators before they are allowed to handle incoming calls? Provide your 1-800 number.
 - d) Describe any reports generated from the VRS system available to the plan sponsor.
2. Internet
- a) Describe the on-line services available through your website, including the types of transactions that can be initiated over the Internet? Can enrollments be completed on-line, and if so, describe any limitation or restrictions. Are Internet based advisory services available, and at what cost to the plan or participants?
 - b) Will you be providing a customized Internet site for SJC-CMHSAS participants, and if so, describe the level of customization that is available.
 - c) Do you have a dedicated plan sponsor website? Will the plan sponsor have the ability to create a customized participant message for posting on the internet site?
 - d) If you have a website, have there been instances when it was not functioning? If yes, please describe the frequencies, duration and the problem resolution. Provide your website address.

- e) Describe your procedures/systems for ensuring privacy and security for Internet transactions, and how passwords are assigned and changed.
- f) Describe any reports generated from the on-line services available to the plan sponsor.

F. System Capabilities and Hardware

1. Describe the hardware platform and software system used for recordkeeping with defined contribution and deferred compensation plans.
2. Is the software developed internally, leased or bought from another provider? Who is responsible for maintaining the system and how often is it upgraded?
3. Describe your system's maximum limits with regard to the following; participants, investment funds, money types, loans, and transfers.
4. How does your system ensure data security and privacy?
5. Describe your maintenance and backup procedures including daily backups, retention timetable and off-site backup storage approach.
6. Describe your emergency and disaster recovery plan and systems. Are back up systems offered off-site?
7. Do you plan any upgrades or conversions in your system during the balance of the calendar year 2019 or calendar year 2020?
8. Can you provide access to your website used by current plan participants so that we can evaluate the effectiveness of your communication?

G. Investments

How many different funds do you offer? What is the break down between in house and external funds? For each fund offered, please provide the following:

1. Name of fund and inception date
2. Portfolio Manager(s) and biography of each manager including the tenure of the manager with the firm and the fund.
3. The investment objective, philosophy, and process
4. Total assets; Defined Contribution Plan, and/or 457(b) Deferred Compensation Plan assets as of the last calendar quarter.
5. The expense structure (including any loads, load waivers, management fees, other expenses, 12b-1 fees, subsidies, investment revenue sharing, Sub-TA fees, performance fees, any other fee that is expected to be charged to us as an employer) Please indicate if any expenses vary based on the amount of investments in the plan or the amount of investments in the particular fund.
6. The comparative index(s) used by the manager.
7. Alpha, beta, standard deviation and R2 as of the most recent date available.
8. Withdrawal provisions (including restrictions on transfers)
9. Investment turnover rate

10. For each fund, provide the annualized return for the year to date, 3, 5 and 10 year (or since inception) periods ended on the last fiscal quarter. Please include the same information for the comparative index.
11. How many different funds can be offered in a plan, and how many must be internal vs. outside funds? How do costs vary with the increased numbers of investment funds?
12. How often can the plan change its funds offerings? Is there a charge to drop a fund or add a new fund?
13. Do you offer “lifestyle” funds? How many?
14. Do you offer “index” funds including an S&P 500 index?
15. Can you process outside funds?
16. Do you offer self-directed brokerage, and is there an additional fee? If so, what is that fee?
17. Briefly describe all fixed and non-mutual fund offerings.
18. Please disclose all revenue sharing arrangements you have in place with the funds available through your alliance network.
19. Describe the qualified default investment alternative (QDIA) investment product that you expect to recommend for this group.
20. List a proposed investment mix that you would use or recommend for this group.
21. Do you provide any guaranteed income contracts or funds for employee investment?

H. Trustee/Custodial Services

1. Will you provide trustee services, either in-house or through strategic alliance (please name)?
2. Will you work with an independent trustee or expect us to self-trustee the plan?
3. Describe checks and balances employed in your trust accounting system. Is your trust accounting system integrated with your recordkeeping system?
4. What is your turn-around time on check issuance? Do you process Federal and State tax withholding?
5. Will you trustee investment funds other than your own?
6. Will you contract as fiduciary for the selection and monitoring of the investments offered in the plans?

I. Conversion Procedures

1. Please describe the team that would deal directly with us during conversion, and indicate the team size and their experience.
2. Do you assign a conversion manager? If so, who and how many conversions has the person been involved with? Do they have experience converting similar size plans as ours?

3. Describe in detail the process of conversion. Is a “blackout” period required? If so, what is restricted during that time frame?
4. How do you plan to handle contributions during conversion?
5. Describe any fund mapping restrictions or requirements.
6. What involvement will be required from us during the conversion process? What information will you require to do a conversion, and what format for the information is required? Do you have any limitations as to the format/media of conversion records?
7. How long do you expect it will take to convert our plan? What specifically will you do to ensure an accurate and efficient transition?
8. Will you work with our current provider directly to get the required information for conversion, or are we responsible for obtaining such information?
9. Do you provide informational materials to participants explaining how the transition will affect them?
10. Please include a conversion schedule time line with your proposal.

J. Expenses and Fees

1. Please provide a detailed expense schedule of all services provided. Assume 70 participants, \$4,400,000 in total assets and growth of approximately 10% annually due to contributions and earnings.
2. Please identify the following:
 - a) Any other fees we should expect to pay
 - b) One time or ongoing
 - c) Per participant or total for the entire plan
 - d) Able to be participant paid (direct or account adjustment)
 - e) Able to be sponsor paid (billed and billing frequency)
 - f) Absorbed in determining daily investment share/unit value
 - g) Performance adjustable rate
 - h) Breakpoints or discounts available or waivers if certain conditions are met (i.e. participant fee discounts if plan participants are a certain number or greater).
 - i) Any asset-based fees.
 - j) Describe any sales load, contingent deferred sales charges, termination fess, or exit fees.
3. In addition to the expense schedule, please provide the following additional information:
 - a) What are your conversion costs that will be charged and how is this affected if we terminate within the initial contract or 2 year renewal term.
 - b) What are your termination costs and how are they affected by shorter or longer periods of affiliation with you?
 - c) Describe what plan consulting services are included, related hourly charges and out-of-pocket fees.

- d) How are fees adjusted if a significant number of participants are added or removed from the plan?
- e) What is your fee guarantee period?
- 4. Please provide a line item list of all other non-asset based plan participant-related expenses that will be imposed such as per head recordkeeping fees, withdrawal [processing fees etc.]
- 5. Please provide a line item list of all non-asset based plan sponsor-related administrative expenses that will be imposed. Include any special reporting charges, legal fees, administrative processing fees, communication fees, plan document preparation fees, trustee fees (including any fees to maintain, update, and/or ensure compliance of such plan documents with the IRC.)
- 6. What is your minimum relationship period and how do fees change with shorter or longer relationship periods?
- 7. Please provide a sample contract.

V. PROPOSAL PREPARATION AND SUBMISSION PROCEDURES

A. Response Date and Instructions

- 1. Proposals must be received by 12:00 noon on *October 18, 2019*.
- 2. Proposals must be clearly marked "RFP MPPP, 414(h), and Deferred Compensation 457 (b)."
- 3. Proposals must include the applicant's name and address on the outside of the envelope, and be addressed to the attention of:

Cameron Bullock MBA, Manager of Contract Services
SJC-CMHSAS
677 E Main Street
Centreville, MI 49032

- 4. 1 original and 5 copies of the proposal.
- 5. Proposals that are faxed, emailed or submitted after the deadline will not be considered.
- 6. Proposals may be withdrawn by written request.

B. Proposal Preparation

- 1. Proposals should be submitted using the prescribed format outlined in section IV., and sections should be clearly labeled.
- 2. A written response is required for each item unless indicated otherwise. Failure to address any of the items may impact the applicant's score.

C. Required Information

Proposals must include:

- 1. Proposals must include a cover letter on firm letterhead, and provide the name and title of person(s) who are authorized to answer questions about this RFP.

2. A signed RFP Attestation Form.
3. An official authorized to bind the firm to its provisions must sign all proposals.
4. The proposal should include a brief description of the firm's business demographics and the overall services provided.
5. The provider must submit a copy of their most recent financial report, audit and management letter.
6. Provide references from (3) current and (3) former clients.

D. Miscellaneous Requirements

1. Incurring Costs

Proposals should be prepared simply and economically to provide a concise response to the RFP requirements. SJC-CMHSAS will not be responsible for any costs incurred in the preparation of proposals in response to this RFP or if the provider is invited to make an oral presentation to the evaluation team.

2. Effective Period

All proposals submitted in response to this RFP must be valid for 6 months of date of submission.

3. Questions

All questions relating to the preparation and/or submission of a response to this RFP should be submitted electronically to cbullock@stjoecmh.org. All questions and answers will be posted to (http://www.stjoecmh.org/?page_id=3957.)

4. Oral Presentation

Upon request by SJC-CMHSAS, some providers may be selected to make an oral presentation to the evaluation committee. The decision will be made by the evaluation committee in its sole discretion.

5. Proposal Retention

SJC-CMHSAS will retain all proposals submitted.

6. Acceptance of Proposal Content

The contents of the proposal of the selected provider may become contractual obligations. Failure to accept these obligations may result in cancellation of the selection, and the Provider may be required to reimburse SJC-CMHSAS for damages incurred.

VI. EVALUATION CRITERIA

The proposals submitted will be evaluated by a committee of employees, stakeholders, and finance and contract management staff. Evaluation criteria include, but are not limited to, the understanding of the overall proposal and SJC-CMHSAS need, as evidenced by the quality of the proposal response, relevant experience, qualifications of the firm and services available to SJC-CMHSAS employees.

VII. SELECTION PROCESS

SJC-CMHSAS reserves the right to request additional information or clarification from the applicant to allow correction of errors or omissions, and to waive irregularities and/or formalities when so doing may serve the best long-term interests of the organizations involved.

The SJC-CMHSAS reserves the right to reject any or all proposals and to proceed in any other manner selected by the SJC-CMHSAS.

The SJC-CMHSAS reserves the right to award to the provider that it believes, in its sole discretion, best meets the needs of the organization.

All proposals submitted are subject to the terms of the Freedom of Information Act, and will be retained by SJC-CMHSAS, whether or not the Provider selected has submitted the proposal with the lowest costs.