



**REQUEST FOR QUALIFICATIONS 23-73**

**FOR 457(b) FIDUCIARY SERVICES FOR THE CITY OF AURORA, ILLINOIS**

**PROPOSALS DUE**

**12:00 PM, CST, WEDNESDAY, NOVEMBER 29, 2023**

**City of Aurora  
Purchasing Division  
44 E. Downer Place  
Aurora, IL 60507**

## ***Introduction***

The City of Aurora is issuing this Request for Qualifications (RFQ) to qualified retirement plan advisors capable of providing fiduciary expertise, consulting, and consolidation services for our employee deferred compensation programs. The City's goal is to streamline the administration of its deferred compensation plans offered to employees while simultaneously providing prudent investment choices and minimizing participant costs. The purpose of this RFQ is to ascertain which advisor can best provide these types of services to support the City's 457 deferred compensation plans.

Proposal responses to this RFQ are non-binding. We may invite select vendors to participate in web-based demonstrations or in-person reviews to better understand the proposed solution, the organization, and the relevant experience of select respondents. The City anticipates the initial term of the contract to be five (5) years.

The purpose of this Request for Qualifications (RFQ) is to select from among competing proposals for the optimum combination of price and service. Proposals will be independently evaluated and ranked.

## ***Desired Services and Minimal Qualifications***

The City of Aurora is interested in contracting with a retirement plan consultant for the following services:

- Review of the current investment structure and recommendations for consolidation of plans for ease of plan management while minimizing participant cost
- Review of investment options and ongoing monitoring
- Identification of the appropriate share class to be utilized for each investment option
- Assistance with record-keeper review, benchmarking, and possible transition and consolidation

The minimal qualifications should include:

- The firm must be registered with the U.S. Securities and Exchange Commission as an investment advisor under the Investment Company Act of 1940
- Each individual advisor representative who may advise the City of Aurora must be registered with the state of Illinois
- The dedicated service team must have relevant experience with 457 deferred compensation plans
- A dedicated project manager and service team will be provided for the duration of services provided and who will be responsible for day-to-day communications.
- The firm must have adequate cybersecurity coverage.

## ***Issuing Office***

City of Aurora, Purchasing Division

[PurchasingDL@aurora.il.us](mailto:PurchasingDL@aurora.il.us)

630-256-3550

All communication is to be sent to the above email. Any questions posed by one vendor will be answered in full view of all. Under no circumstances are retirement plan advisors, including third party vendors or their staffs, to contact other staff at the City of Aurora for purposes associated with the RFQ, including, but not limited to, obtaining or providing information. Advisors failing to comply with this requirement may be disqualified.

## ***Process and Timeline***

- RFQ issued – October 29, 2023
- Questions Due - November 13, 2023
- Proposals due – November 29, 2023
- Notice of Intent to Award (estimated)
  - December 18, 2023
- Anticipated Commencement of Services
  - January 2024

## ***Questions***

Each retirement plan advisor is responsible for understanding fully the terms and conditions of this RFQ. Requests for clarification or additional information must be received in writing to the Director of Purchasing at [PurchasingDL@aurora.il.us](mailto:PurchasingDL@aurora.il.us) no later than 5:00 pm, CST, Monday, November 13, 2023. Only communications relative to the RFQ shall be considered. All questions will be answered in writing, in the form of an addendum to the RFQ and posted to the City's website at <https://www.aurora.il.us/bids.aspx> by 5:00 pm, Friday, November 17, 2023. Both questions and answers will be distributed, without identification of the inquirer(s), to all prospective retirement plan advisors.

No questions will be accepted or answered verbally. No questions will be accepted or answered after the November 13, 2023 5:00 pm cut-off date/time. It is the proposer's responsibility to check the website before submitting their proposal.

## ***Basis for Award***

The City may classify a proposal as "not reasonably susceptible for award" if it does not meet the requirements of this RFQ. The City may also determine that an offeror is "not responsible", i.e., does not have the capabilities in all respects to perform the work required. Should a proposal be found not reasonably susceptible for award, or if an offeror is found not responsible, the proposal will not be considered further, and the Offeror will be notified accordingly.

The City will award the RFQ to the responsible offeror whose offer is determined in the City's sole discretion to be acceptable and the best value. **We seek the optimal combination of cost, service, and experience.**

The City of Aurora encourages minority business firms to submit proposals and encourages the successful firm to utilize minority businesses as applicable.

## ***Electronic Communications***

Proposals in digital format, as well as transactions, and communication are required. E-mail transmissions may include attachments in Adobe Acrobat.pdf®, Microsoft® (MS) Windows-compatible applications including Word®, Excel®, or graphics in .jpg format. **Attachments must not be zipped or compressed.**

## ***Proposal Acceptance and Discussions***

This RFQ creates no obligation on the part of the City to award a contract or to compensate advisors for proposal preparation expenses. The City reserves the right to accept or reject any and all proposals, in whole or in part, received in response to this RFQ; to waive or permit cure of minor irregularities; and to conduct discussions with qualified deferred compensation plan advisors in any manner necessary to serve the best interest of the City.

**Proposal Acceptance and Discussions**

Submission of qualifications must be received by **12:00 pm, Wednesday, November 29, 2023** at the City of Aurora, Office of the City Clerk, 44 E. Downer Place, Aurora, IL 60507. No late submissions will be accepted.

The Proposer assumes responsibility for late delivery of the mail. It is the sole responsibility of the Proposer to see that his submission is received in the proper time.

**Economy of Preparation**

Each proposal should be prepared simply and economically, providing a straightforward, concise description of the retirement plan advisor's offer and capabilities to satisfy the requirements of this RFQ. Emphasis should be on completeness and clarity of content.

**Illinois Freedom of Information Act**

The Developer acknowledges the requirements of the Illinois Freedom of Information Act (FOIA) and agrees to comply with all requests made by the City of Aurora for public records (as that term is defined by Section 2(c) of FOIA in the undersigned's possession and to provide the requested public records to the City of Aurora within two (2) business days of the request being made by the City of Aurora. The undersigned agrees to indemnify and hold harmless the City of Aurora from all claims, costs, penalty, losses and injuries (including but not limited to, attorney's fees, other professional fees, court costs and/or arbitration or other dispute resolution costs) arising out of or relating to its failure to provide the public records to the City of Aurora under this agreement.

**Plan Information**

The City currently has seven (7) 457 deferred compensation plan administrators 4 active and 3 inactive (no longer accepting deposits but servicing prior existing accounts). The administrators and the amount of assets under management appears below.

Plan Administrator	Plan Status	AUM	As of date	% of total AUM
NPPFA (Transamerica)	Active	\$ 347,243,794.59	8/22/2023	89.1%
Voya	Active	\$ 21,359,423.74	8/22/2023	5.5%
Nationwide	Active	\$ 9,378,260.12	8/22/2023	2.4%
Waddell & Reed	Active	\$ 10,337,937.15	8/22/2023	2.7%
ICMA	Inactive	\$ 831,734.79	7/19/2023	0.2%
Security Benefit (Parkstone)	Inactive*	\$ -		0.0%
Zurich Life (Kemper)	Inactive	\$ 790,145.18	6/30/2023	0.2%
		<u>\$ 389,941,295.57</u>		<u>100.0%</u>

\*- The City is currently making contributions to this plan for one employee.

## **Questionnaire**

### **About Your Firm**

Please tell us about your firm.

1. Firm Name:
2. Address:
3. Contact for this RFQ  
Name:  
Phone:  
Email:
4. List all of your firm's lines of business (including affiliated companies).
5. Do you use sub-contractors?  
 Yes     No  
  - (i) If Yes, who and for what services?
6. Provide the following information on your firm's deferred compensation plan advisory business:
  - (a) Percentage of revenue derived from deferred compensation plan advisory services?
  - (b) Percentage of revenue derived from individual investment advisory services?
  - (c) Plan assets under advisement
  - (d) Total number of clients and total number of government entity clients under your advisement
7. Please list and describe the types of services your firm offers for deferred compensation plans.
8. Do you act as a co-fiduciary to your clients and their deferred compensation plan committees? Please explain what co-fiduciary services you are prepared to provide to our Committee. Is your firm an ERISA 3(21) or 3(38) fiduciary?
9. Describe three key factors that differentiate your firm from other investment consulting firms.

10. Have any individuals from your firm ever been disciplined by any government regulator for unethical or improper conduct or been sued by a client who was not happy with the work performed by the firm? If so, please explain briefly.
11. Has your firm or any advisor of your firm been found guilty of any violation, or paid any fines because of violations of securities regulations or ERISA? If so, please explain briefly.
12. Please list five of your government entity clients and include the name, address, phone number, and e-mail address of a contact person for each at least three of these clients.
13. Primary contact for our relationship:
  - Name:
  - Title:
  - City and State:
  - Phone:
  - Email:
  - (a) Overall experience with employer-sponsored deferred compensation plans
  - (b) Overall experience with government entity plans and in particular, government entity plans.
  - (c) Overall experience with consolidation of deferred compensation plans including quantification of fee savings for participants
  - (d) Area(s) of expertise
  - (e) Role at the firm
  - (f) Number of plans supported
  - (g) Average size of plans supported
14. Please provide profiles of the individuals who will service the City's account and other relevant personnel.

### ***Plan Governance***

15. Provide information on the fiduciary training support you provide to committees. What is the frequency of this training?
16. Identify what ERISA best practices your firm recommends the City follows and why.
17. List and explain the top three risks your firm has observed with your clients' government entity plans.
18. Please describe any experience your firm has had in evaluating and executing

consolidation of multiple administrators.

### ***Investment Services***

19. Describe your firm's approach to deferred compensation plan investment consulting.
20. Describe your approach to investment structure reviews.
21. What investment policy statement support do you offer? How are benchmarks determined?
22. Describe your approach to investment monitoring. In the appendix, provide a sample of an investment monitoring report.
23. Describe your investment research resources and capabilities:
  - (a) What tools does your firm use to evaluate investment funds and managers? Are these tools proprietary?
  - (b) In the appendix, provide a sample of an investment search report.
24. Do you have an investment watch list? If so, what is your termination recommendation process?
25. What actions do you take when investments are not performing?

### ***Conflicts of Interest***

26. Describe potential conflicts of interest that may arise under the proposed advisory relationship.
27. Disclose any revenue sharing or soft dollar arrangements you may have with investment management firms, record keepers, or other organizations that provide retirement plan services.
28. Does your firm have a written policy for addressing conflicts of interest?  
 Yes     No
  - (a) If yes, please describe
29. Have your organization, any of its employees, or any of your clients been the subject of an investigation by the Department of Labor?  
 Yes     No
  - (a) If yes, please describe

**Security**

- 30. Please describe your firm’s data security measures.
- 31. Do you maintain cyber security insurance and if so, who is the carrier and the coverage amount?

**Fees**

- 32. Does your firm receive any form of compensation or benefits – directly or indirectly – from companies or individuals whose products or services you may refer or recommend?

Yes  No

(a) If yes, please explain

- 33. Please describe all fees for the services that you propose to provide to our plan.

- 34. What fees are you proposing by year for the proposed five-year term?

(a) Year 1 - January 1 2024 to December 31, 2024 \_\_\_\_\_

(b) Year 2 – January 1, 2025 to December 31, 2025 \_\_\_\_\_

(c) Year 3 -January 1, 2026 to December 31, 2026 \_\_\_\_\_

(d) Year 4 -January 1, 2027 to December 31, 2027 \_\_\_\_\_

(e) Year 5 – January 1, 2028 to December 31, 2028 \_\_\_\_\_

Total

- 35. If your firm is retained, the Committee intends to enter into a written agreement with you detailing the services that you will provide to the Plan. Please provide a sample agreement for our review.
- 36. Do you bill for, or expect to be reimbursed for, any expenses in addition to the fees described above? If so, please explain.