



CITY OF MEMPHIS

REQUEST FOR PROPOSAL

#236753

Provide Bundled Deferred Compensation and Defined Contribution Services: Recordkeeping/Administration, Communication/Education, and Investment Management Services

Addendum

This Addendum will become part of the Contract Documents. In case of difference with previous Addenda or communications, this Addendum takes precedence. Receipt will be acknowledged by inserting the Addendum number and its date in the RFP Response.

Questions & Answers

Except to remove vendor names and addresses, questions are provided exactly as submitted.

#		Section	Question / Answer
1	Q	Non-Collusion Affidavit	Is this document required to be notarized? There is a line in the signature area labeled 'Seal'.
1	A		No.
2	Q	Exhibit 5 – Sample Contract	Are exceptions and redlines required to be submitted with the RFP? Is there a preferred format to relay any exceptions, such as redlines versus a brief description?
2	A		Please include a brief description
3	Q	Exhibit 5 – Insurance Requirements	Could the City please provide the insurance requirements. We do not see insurance requirements in Exhibit 5: See insurance requirements attached hereto as Exhibit [EXHIBIT IDENTIFICATION FOR INSURANCE@] and incorporated herein as if stated verbatim within the Agreement
3	A		Insurance requirements will be provided for the winning bidder.
4	Q	Sections and Topics table, page 28	Per the Sections and Topics table on page 28 of the RFP, Section 7 is indicated as not applicable, and the Equal Business Opportunity Program is labeled as Section 8. Further in the document, EBO Program is labeled as 3.7. Please clarify how you would like us to label/respond to Sections 7, 8, and 3.7.
4	A		The M/WBE goal is 0%. There is not a Section 7 or 8 in the RFP.
5	Q	V. SYSTEMS CAPABILITIES AND HARDWARE, Question 8 and Question 9	Due to the confidential nature of our SOC reports and the sensitive information contained within the reports, the reports are not to be made public and are not able to be printed. Would the City accept secure links to our SOC reports under separate cover marked confidential?
5	A		The City of Memphis has no issues with a secure link.
6	Q	2.4, Page 27 and 4.3 SCHEDULE OF ACTIVITIES, Page 49	Two different due dates are noted in these sections. Please confirm the due date for submission.
6	A		Addendum has been added to reflect the new due dates. The date for bid submission is July 24, 2024. (Please confirm with Francis.)
7	Q	I. ORGANIZATION AND HISTORY, question 6	In I. ORGANIZATION AND HISTORY, question 6 asks for gain and loss data for the years 2018 through 2021. Please confirm the date range the City is looking for.
7	A		2020-2023

8	Q	Proposal Format – Page 50	Is there a Word version of the document with the exhibit RFP response templates? Or can responders use their own template incorporating the City's format?
8	A		Respondents can use their own templates incorporating the City's format.
9	Q	XIV. PARTICIPANT SERVICES/MOBILE APP – Question 2	Can the City provide a definition by what they mean by Single Sign On to our mobile app?
9	A		Single sign-on (SSO) is an authentication method that simplifies the login experience by allowing users to enter a single set of credentials for access to multiple applications and websites.
10	Q	XIX. Cybersecurity Question 16	Can the City please define the expectation of the recordkeeper as it relates to Payment Card processing?
	A		The City wishes to know what information the recordkeeper has access to for security purposes
10	Q	XIX. Cybersecurity Question 17	Can the City please define the expectation of the recordkeeper as it relates to Protected Health Information?
	A		The City wishes to know what information the recordkeeper has access to for security purposes
11	Q	Section 3.7 Equal Business Opportunity Program	Can the City please confirm if there is a M/WBE participation goal?
11	A		The M/WBE goal is 0%.
12	Q	Section 1.4 Background	Is the City of Memphis Solid Waste 401(a) plan in scope for this opportunity? If so, can demographics be provided for this plan?
12	A		Yes. The demographics of the City of Memphis Solid Waste 401(a) plan are included in the RFP.
			It is currently a part of the City of the Memphis 401(a) plan.
13	Q	Section 4	Can you please clarify the expected or target conversion date?
13	A		12/31/2024
14	Q	Section 1.4 Background	Is the Airport Authority a separate plan? If not, what plan is it associated with?
14	A		No. It is associated with the City of Memphis 401(a) plan.

15	Q	Section XVI. Investment Advisory Services	Do the plans offer advice and/or managed accounts today? <ul style="list-style-type: none"> • If so, please describe the advisory services offering including the provider, subadvisor, participant count and assets under management. • Are there any features, tools and/or enhancements you would like offer as part of your existing advisory program? • How many Investment Advisor Representatives are available to field participants' questions? • Does your current service include retirement/ rollover counseling
15	A		No, the plans does not offer advice and/or managed accounts today. There are two Investment Advisor Representatives available. Yes, the current service includes retirement/ rollover counseling.
16	Q	Section1.4 Background	Who calculates the balance/benefit for the hybrid pension?
16	A		Pricewaterhouse Cooper
17	Q	Section 1.4 Background	Does the TRSFlex file come from Pricewaterhouse Cooper?
17	A		No.
18	Q	Section 1.4 Background	Does Empower pay out forfeiture and distributions direct to PricewaterhouseCooper?
18	A		No. The forfeitures and distributions are paid to the City of Memphis. The City of Memphis confirms vesting and processes distributions.
19	Q	Section 1.4 Background	Does Empower reflect pension balances and include on the statements?
19	A		Yes.
20	Q	Section 1.4 Background	Are the balances reported separately or as a combined amount?
20	A		The balances are reported separately.
21	Q	Section 1.4 Background	Can you provide additional detail regarding what data is included in the aggregated annual benefit statements? Can you provide a sample statement?
21	A		The statement shows the defined contribution and deferred compensation balances. A sample statement is not available at this time. The City provides DB information to be included on the statements so once a year the employees can see their total retirement between DB and DC.
22	Q	Section 3.7	Does Empower currently utilize a MBE/WBE firm in the performance of the contract? If so, what service(s) does the MBE/WBE perform?
22	A		No.

23	Q	Minimum Requirements: 4	Please confirm respondents must have a minimum of (3) 401(a) or 457(b) plans with assets of at least \$500M. We read this to state a total of (3) plans under administration of that asset size, not (3) of each type.
23	A		3 of each type
24	Q	Minimum Requirements: 5	Please confirm respondents must have a minimum of (3) 401(a) or 457(b) plans with at least 7000 participants. We read this to state a total of (3) plans under administration of that participant count, not (3) of each plan type.
24	A		3 of each type
25	Q	Minimum Requirement 8	The City of Memphis has an approximate 11% MVA on the current Stable Value Fund assets of over \$150M. Would the City of Memphis be open to reviewing a proposal including a buyout scenario through a General Account product that maintains benefit responsiveness and has a 12-month put as the plan level exit provision
25	A		We understand that amortizing the MVA may temporarily invalidate any 12-month put optionality. We are seeking information on the cost of amortization, with a 12-month put option necessary after amortization moving forward.
26	Q		☐ Is the City willing to enter into a long term agreement (for example 10 years) to allow for the full recovery of the MVA?
26	A		The City will review long term options if necessary but ideally shorter than 10 years
27	Q		The plan as well as the SV fund show negative cash flows in each of the last two years which will make paying off the MVA more difficult. Please provide the cash flows into and out of the SAGIC SV fund as well as the total balance in the fund for the past 5 years.
27	A		Empower
28	Q		What protections does the City envision for the firm buying out the MVA if a General Account Product is not allowed?
28	A		The City is open to discussion around what protections are required. We understand a significant effort around the MVA will be necessary moving forward.
29	Q		Is the City concerned that the crediting rate provided by the SV fund will necessarily decline by a substantial amount while paying off the MVA thus reducing the returns of the participants during that period for a substantial percentage of the plan's assets?
29	A		The City understands that there potentially will be a significant cost involved with the amortization process

30	Q	Section 1.5 Info about the 457(b) plan	The table shows Contributions of \$18.8M and withdrawals of \$27.8M in 2023 in the Cash Flow Section. However, under the Contributions/Cash In section, the 2023 contributions show a total over \$24M and withdrawals /cash out of over \$49M. Please clarify the actual contributions and distributions.
30	A		reconversion of the plan to correct the initial set-up from the migration took place in April 2023. The method to perform the re-conversion was to remove participant account assets via a distribution and restore the accounts once they were fixed by depositing the assets via an additional deposit. That amount for the wash transaction was \$22,833,880.02. This amount overstated both the distributions and additional deposits initially reported.
31	Q		The City of Memphis RFP agenda indicates that answers to respondent questions will not be posted until Tuesday, July 9th and the due date for printed responses is Wednesday, July 17th. We will need to ship our response on Friday, July 12th to ensure adequate time for delivery by the due date should an overnight delivery be missed or a weather event happen. Due to the challenging nature of the bid requirements, we request that the city extend the due date for the RFP responses to Friday, July 26th to have enough time to digest the answers, finalize our response and ship hardcopies. Will the City consider extending the due date accordingly?
31	A		Addendum has been added to reflect the new due dates. The date for bid submission is July 24, 2024.
32	Q		Please confirm the timeline in section 2.4 is not applicable.
32	A		Addendum has been added to reflect the new due dates. The date for bid submission is July 24, 2024.
33	Q		Please provide the total number of unique participants with balance across all plans.
33	A		There are 9,052 unique participants across all 3 plans.