

**Maryland Supplemental Retirement Plans
Solicitation # G50R7400001
Investment Advisor and General Pension
Consultant RFP
Pre-proposal Conference 3/30/2017, Attendees,
Discussion Summary,
Oral Questions & Answers**

Pre-Proposal Conference Attendees 3/30/2017 at 1:00 PM

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Discussion Summary

1. Description of the Governor-appointed Board of Trustees, the authorized four defined contribution plans, MSRP staff, and the necessary contract approvals, including that by the Maryland Board of Public Works.
2. RFP document correction to Section 2.2.3 on page 9 that excerpts of audited financial statements are NOT included as Attachment J to the RFP; however, the Agency website at www.MSRP.maryland.gov does include eleven years of annual reports under the index “Agency Information”. Also the Table of Contents lists Sections 3.8 and 3.9, but those sections are not include in this RFP.
3. MSRP estimates the Board’s demand for consulting/advisory hours will be about 150 hours/year, although this is not a guarantee of hours, and the number could go up or down depending on circumstances.
4. The consultant will advise the Board at all meetings (typically scheduled five times a year), at all Investment Committee meetings (typically held the same days as Board meetings), and through interim communications via the Board secretary—for examples: emails, alerts, reports, analysis of legislation and regulation, educational material.
5. The consultant would also support an optional meeting annually that may be requested by the Board for planning/strategy conference; this meeting has generally been held off-site.
6. Deliverables listed: quarterly report, biennial report (even numbered years), up to 4 searches/year, assistance in the evaluation in the plan administrator search in the first year, assistance in the stable value manager search in the 2nd year, Investment Policy Statement document ratified by Board each January and posted on the MSRP website.
7. Reviewed the roles of Nationwide as record keeper, enroller and distribution counselor and of MSRP staff as providing employee/participant education, and of the Investment

Advisor/Pension Consultant reviewing selected communications in order to accurately and effectively translate complex and technical matters for the general employee.

8. MSRP investment menu currently includes a stable value fund, 16 active/passive-managed mutual funds, a target date retirement fund series and three frozen options—a fixed annuity product in the 457 plan, a life insurance option in the 457 plan, and a CD-like frozen fixed option in the 403(b) plan.
9. MSRP offers participants very flexible, as-needed and “systematic” payouts, and single-premium annuity options.
10. Maryland procurement rules require full compliance. Example is that a sealed financial proposal must be separate from all technical proposal sections.
11. Minority Business Enterprise (MBE) requirements are very important and specific. A 5% goal is set for this contract. The proposal must document a plan to reach the goal, or must include a request for a waiver. Reviewed MBE basics of certification through the Maryland Dept. of Transportation and the links included in the RFP. Briefly discussed the current acceptable arrangement for subcontractor preparing up to date market and performance analysis in writing for the Board. It was observed that the contract goal of 5% is for the full term and value of the contract, not applied to each year individually.
12. Successful advisor must adopt the existing Investment Policy Statement, investment option menu—then obtain Board approval for any policy changes, investment option changes before implementation. The proposal should discuss differences of viewpoint on these areas and a plan to implement changes.
13. Assistance is expected in Plan document revision/review.
14. Especially in the Biennial Report, but also on an ongoing basis, the consultant advises the Board about defined contribution plan features, services to participants and structures. For example: our recent addition of Roth contribution accounts.
15. Other plans are available to State employees in the higher education system—alternative 457(b) and 403(b) plans from Optional Retirement Program providers.
16. The RFP and the Board seek responses about the Offerors’ experience, performance, resources, and recommendations for our plans over the next five years.

Oral Questions and MSRP Answers

1. The stated MBE subcontracting goal on the Contract in the RFP is 5%; is there a higher MBE goal?

Answer: Each procurement/contract has an MBE goal determined for that particular scope of work, deliverables, regulations and standards. Some procurements may have additional subgoals as well. This RFP presents a single 5% MBE goal.

2. Does the investment consultant's assistance in Plan document review and revision include legal review?

Answer: The consultant's assistance in Plan document review is to advise the Board of Trustees on regulatory updates and compliance. I would not describe that as legal services.

3. Have the Plans performed a formal target date fund selection study?

Answer: The Board of Trustees performed a selection study with investment advisor assistance prior to first adoption of the T. Rowe Price target date retirement funds. Those funds are monitored with all other options on a quarterly basis and are considered in-depth during the biennial report cycle.

4. When the investment consultant performs the manager searches, does the Board meet the managers being considered in these searches?

Answer: The Board's request for the investment advisor's recommended new or replacement mutual fund has traditionally been delivered in the form of a short (three to six) list of alternative funds described in great detail with published performance and operational data with the advisor's own research, background information and evaluation statement. No manager interview or presentation has historically been required.

5. Does the investment consultant participate in the procurement for the Stable Value Manager?

Answer: Yes, the investment advisor is required to review and prepare a written evaluation of responsive stable value manager proposals. The same is true with respect to the procurement for the Administrator and Recordkeeper.

6. Is the investment consultant asked to develop the RFP for the Stable Value Manager for that procurement?

Answer: No, the Request for Proposals preparation and the management of the procurement process is the responsibility of MSRP staff.

7. Is this RFP part of a normal rebid for the investment consultant contract?

Answer: Yes, this is a normal cyclical procurement activity as with all our service contracts. The incumbent consultant has also been invited to make a proposal during this procurement.

8. Does the Board have any strategic initiatives that it is considering at this time?

Answer: No, there has been no new or revised strategic initiative. We are in a perennial effort to encourage more employees to enroll in the Plans and to encourage employees to contribute more for a more secure financial future.

9. What are the fees the Board is paying to the incumbent investment consultant?

Answer: The final year fee paid the incumbent is approximately \$12,900 per month. More precise figures will be supplied in response to a written request. (The records show current payments are exactly \$12,916.67 per month in the final year of the current contract.)

10. Will answers to questions submitted to the Procurement Officer be answered at one time or be periodically released prior to the due date for Proposals?

Answer: Questions submitted before the pre-proposal conference will be answered within a week, with those responses distributed to known email addresses and posted on the MSRP.maryland.gov website and the e-Marylandmarketplace.com website. Other questions received by the Procurement Officer may expect similar response timing until about ten to seven days prior to the Proposal due date of April 27, 2017.