



Maryland Teachers & State Employees Supplemental Retirement Plans
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September 7, 2012

Question & Answers #3

Request for Proposals (RFP) for
Plan Administrator for Supplemental Retirement Plans

Solicitation # G50R3400001

Attached is a summary of the pre-proposal conference held on August 7, 2012 followed by answers to the questions received since Noon on September 5, 2012 from interested parties in this procurement.

An electronic copy of this and all notices will be available from our website:
<http://msrp.maryland.gov/procure.htm>

Signed,

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Summary of the Pre-Proposal Conference held August 7, 2012

Michael Halpin, MSRP Executive Director, conducted the pre-proposal conference for this RFP. The session began with voluntary introductions by attendees. Second was a review of the important RFP requirement for a sealed financial proposal separate from the technical proposal. The attendees were reminded that no financial information is to be disclosed in the technical proposal and that failure to comply is grounds for rejecting and returning the proposal. Third, was an explanation that the higher education system had implemented a compliance coordinator system which will require the MSRP Plan Administrator to implement and report information about loans and hardship/emergency distributions for the other 457/403(b) providers on those campuses. Fourth was a review of the Minority Business Enterprise (MBE) program and the 15% goal established for this RFP. Attendees were reminded that compliance with MBE requirements is mandatory and that offerors must either commit to achieve the goal or submit a waiver request. Fifth was a review of the request for a transition plan in the technical proposal, with clarification that the Board would arrange to extend, if necessary, the current Plan Administrator contract to coincide with the selected replacement contractor and transition plan.

Next, questions from attendees were invited. The first question asked for more information about the possible duration of the transition, and the answer was that the current contract may be extended up to a year and that when MSRP issued an RFP for the Plan Administrator five years ago, a six month cancellable extension was made to the then-existing contract in order to conclude the procurement. The next question was about who performs the education of participants about the plans. In response, it was related that since 1990 the MSRP Board has dedicated its own employees to provide educational seminars and individual sessions to State employees, separate from the marketing/enrollment effort staffed by the Plan Administrator who also provides all the written communication materials. Regarding a question about the lowered 15% Minority Business Enterprise goal, an explanation was offered that MSRP's experience with various subcontracted roles and their outcomes was combined with the anticipated needs of the Plans and estimations of future contract fees and led to determining an attainable goal (not a ceiling) of 15%. We pointed out that the RFP Attachment L, page 48, reports recent MBE expenditures of the incumbent. We also clarified that the MSRP Plan Administrator RFP does not entail investment advice services to participants. We reviewed an outline of the proposal evaluation process that is covered in Section 5 of the RFP. We described ongoing efforts to communicate with employees about the Plans year-round. To an inquiry about innovative approaches to participant services, we responded that the RFP explains how and what is evaluated in proposals and that the Board is both forward thinking and cautious.

Following are Answers to Questions received the afternoon of September 5, 2012:

1. Please clarify if an MBE could be subcontracted to meet vendor RFP requirements 3.1.2.1 and 4.4.2.6.

Answer: As shown on the RFP Attachment L, page 48, the current arrangement has incorporated various MBE subcontractors performing a variety of services—including one MBE providing staff as Personal Retirement Consultants counseling participants on their retirement/Plans distribution options. These methods have been accepted as successful strategies toward the MBE goal. For this RFP, Offerors may submit their Response with a range of different subcontractors, or a concentration of subcontracted efforts. Each Technical Proposal will be evaluated on all of the RFP stated criteria—including the staffing, experience and credentials of subcontractors performing core duties such as direct services to State employees (RFP Section 2.1). Ultimately, the successful Offeror will be fully accountable to MSRP for the accomplishments, omissions or failures of their own employees and subcontractors alike (RFP Section 1.19). Therefore, we expect that the Offeror would propose to maintain the required Maryland office, the account manager and any high level key personnel from which to directly monitor subcontractors and all participant services and to report directly to the MSRP Board.

2. Please confirm the total number of vendor employees or subcontractor employees located in Maryland and currently providing participant counseling and enrollment services.

Answer: This RFP does not set a quota for in-State staffing, except to require that at least four must exclusively counsel participants on distribution options. The current arrangement is providing a State Director, two Administrative positions, seven Retirement Specialists (for enrollments, group presentations and general Plan services), and three Personal Retirement Consultants (for distribution counseling)—two of which are staffed by an MBE subcontractor.

3. Please confirm that Parent Guarantee is not a required provision of the Administrators Agreement.

Answer: The RFP Section 3.5 explains the requirement as (abbreviated for convenience)

- a Fidelity Bond
- or alternatively either
- an unconditional guarantee by a corporate affiliate
- or
- an error or omissions liability policy.

At least one of the above is required in accordance with the terms and conditions described in the RFP. The model contract in RFP Attachment A is based on MSRP's contract with the current vendor and illustrates the alternate Corporate Parent guarantee that is permitted by Section 3.5 if the RFP.

Following are Answers to Questions received September 6, 2012:

1. Would MSRP accept a corporate or parent guarantee to satisfy the RFP Section 3.5 Fidelity Bond requirement?

Answer: See the answer to question 3 above.

2. Is the current MSRP contract with NRS available for vendors to review?

Answer: The model contract in RFP Attachment A is basically MSRP's core contract with the current Plan Administrator with the incumbent's name blanked-out.

Following is the Answer to a Question received September 7, 2012:

Do offerors need to obtain and include in the offeror's bid response signed Conflict of Interest Affidavit/Disclosures (ATTACHMENT G) from each of their anticipated subcontractors?

Answer: No, not in the RFP Response. The requirement should be presented to and discussed with prospective subcontractors. After notice of award the successful Offeror should provide subcontractor documentation including the Conflict of Interest Affidavit/Disclosure for each subcontractor.