



## **Chicago Teachers' Pension Fund**

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### **REQUEST FOR PROPOSAL**

#### **Third Party Administrator Services for Defined Contribution Plans**

**No. FY19-0010**

***(Note: this version of the RFP has been updated to extend the following deadlines: written questions due date is extended to Friday, May 17, 2019, compiled Q&A posting date to Friday, May 24, 2019, and proposal due date to Friday, June 7, 2019).***



**Chicago Teachers' Pension Fund**

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## **I. SUMMARY**

This Request for Proposal (“RFP”) is being issued by the Public School Teachers’ Pension and Retirement Fund of Chicago (“CTPF” or the “Fund”) to solicit proposals for the following services:

- Bundled third party administration (TPA) services (i.e., record-keeping/administration, communication/education, and custodial trustee services) and unbundled investment management services for its voluntary governmental defined contribution plans, the Deferred Compensation 457 Plan. In addition to providing administrative services, the TPA will be responsible for maintaining compliance with IRS qualification requirements and for establishing and maintaining a financial education/communications program for Plan participants.
- Contractors interested in providing individualized investment assistance or investment research to plan participants on a fee-paid basis. This service may be bid separately and/or in conjunction with other services sought by the RFP.

If you are interested in the proposed engagement, we welcome proposals from qualified firms. Respondents must satisfy the qualifications and requirements outlined herein.

## **II. BACKGROUND**

Established by the Illinois General Assembly in 1895 as the Public School Teachers’ Pension and Retirement Fund of Chicago, CTPF administers a multi-employer defined benefit public employee retirement fund. CTPF is administered in accordance with Illinois Compiled Statutes (ILCS) Chapter 40, Articles 1, 17, and 20.

CTPF is governed by a Board of Trustees made up of twelve (12) members. The Board of Trustees oversees the Fund’s benefit programs, approves all benefits, makes investment decisions, and provides general operational oversight.

CTPF employs approximately 104 full-time and 19 part-time staff. For more information about the Fund, please visit [www.ctpf.org](http://www.ctpf.org).

## **III. SCOPE OF WORK**

CTPF desires to maintain a centrally-administered, institutionally-priced investment platform that will enable it to offer improved services and investment offerings to participants at a competitive price. The

selected TPA will be responsible for working with the existing vendors to transition assets from the current TPA to the new record keeping platform. When requested by the Fund, the TPA will be responsible for developing an account transfer communication plan to encourage participant involvement in transfers and a mapping strategy for those participants who make no transfer election.

**DESCRIPTION OF PLANS**

**A. 457 Plan**

CTPF introduced its voluntary Deferred Compensation Plan in 2009. The Plan is an eligible plan under Section 457(b) of the Internal Revenue code of 1986, as amended, and is currently administrated by VALIC. The plan is open to all Fund employees. Investments in the Plan are participant-directed. As of April 22, 2019, the 457 Plan had approximately 68 participants and assets of approximately \$1.6 million.

As one of the current service providers VALIC accounts for allocation of contributions, earnings and withdrawals, and provides management and record-keeping services.

**IV. TIMELINE**

EVENT	DUE DATE
RFP Distribution	Friday, April 26, 2019
Written questions due from Respondents	Friday, May 17, 2019, 12:00 p.m. (CDT)
Compilation of questions and answers posted to <a href="http://www.ctpf.org">www.ctpf.org</a>	Friday, May 24, 2019
RFP Due Date	Friday, June 7, 2019, 12:00 p.m. (CDT)

**V. CONTACT**

Any questions concerning this RFP must be directed to:

Names	Becky Z. Gonzales, Interim Associate General Counsel Sandy McNamara, Legal Assistant <i>(Direct all communications to both Becky Gonzales and Sandy McNamara)</i>
Address	Chicago Teachers’ Pension Fund 203 North La Salle Street Suite 2600 Chicago, IL 60601-1210
Phone Numbers	312-604-1202 <i>(Becky Gonzales)</i> 312-604-1251 <i>(Sandy McNamara)</i>

Email Addresses	<a href="mailto:gonzalesr@ctpf.org">gonzalesr@ctpf.org</a> <a href="mailto:mcnamaras@ctpf.org">mcnamaras@ctpf.org</a> <i>(All emails sent to both Becky Gonzales and Sandy McNamara)</i>

## VI. TERM OF ENGAGEMENT

The term of the engagement will be governed by the negotiated contract or agreement, as limited by the Illinois Pension Code and CTPF’s administrative rules. CTPF may, in its sole discretion, terminate the contract at any time during that term.

## VII. SUBMISSION GUIDELINES

In order to be considered for selection, proposals must be received via email, in PDF format, by Becky Gonzales at [gonzalesr@ctpf.org](mailto:gonzalesr@ctpf.org) and Sandy McNamara at [mcnamaras@ctpf.org](mailto:mcnamaras@ctpf.org) no later than **12:00 p.m. (CDT), on Friday, June 7, 2019. (Late submissions will be rejected as unresponsive).** Paper submissions will be rejected as non-conforming. An email confirmation will be sent to the Respondent upon receipt of the proposal.

## VIII. PROPOSAL CONTENT AND FORMAT

All information requested in the RFP must be addressed in the Respondent’s proposal. Proposals should provide a concise explanation of Respondent’s qualifications and the proposed services to be rendered, thoroughly answering any questions referenced in the RFP. Emphasis should be placed on completeness and clarity of content. Each proposal must be submitted in response to categories A through J outlined below and must be clearly labeled as such. If for whatever reason, the Respondent is unable to answer any of the questions that are asked in the RFP or is unable to provide any of the information that is requested, the Respondent must state this in response to the appropriate category.

### A. Cover Letter

- a. Briefly state the Respondent’s understanding of the work requested and a statement why the Respondent believes it is qualified to be added to CTPF’s approved vendor list and enter into an MPSA with CTPF. The letter should be signed by the representative of the Respondent authorized to contract on behalf of the Respondent.

### B. Title Page

- a. Date
- b. Subject
- c. Respondent’s name and chief executive officer (or the equivalent)
- d. Respondent’s address

- e. Respondent's website address
- f. Respondent's phone number
- g. Respondent's fax number
- h. Contact's name
- i. Contact's title
- j. Contact's phone number
- k. Contact's email address

**C. Table of Contents**

**D. Engagement-Specific Questions**

**a. Account Team**

- i. Describe how Respondent has the necessary dedicated staffing and bandwidth to take on this engagement.
- ii. Describe the key personnel/account team that would deal directly with the CTPF during the transition and ongoing during the engagement. Provide background information on each member of the account team, including his or her position, current responsibilities, areas of expertise, experience, education, professional designations, and/or memberships, approximately how many plans each is assigned to serve and their individual responsibilities as they relate to the plan(s). Describe specific experience on contracts similar in scope to the requirements of this RFP. Include details regarding the proposed management of the personnel who would be assigned to the CTPF engagement. CTPF expects a reasonable notice of key personnel being removed from the engagement and reserves the right to approve the replacement of key personnel.
- iii. Please describe how your organization will assist CTPF with meeting its fiduciary responsibilities as it relates to oversight of the plan(s).
- iv. How many of your employees work on defined contribution plans? Provide a breakdown by functional area.
- v. What are your client retention statistics for each of the last three years?
- vi. Describe your organization's commitment to quality and your philosophy/approach to client services.
- vii. Describe your procedures for monitoring client and participant satisfaction.
- viii. Describe your service/timing standards.
- ix. What checks and balances do you have in place to assure plan administration integrity and accuracy including participant account data?
- x. Indicate the location of the office(s) from which the work on this engagement is to be performed.

**b. Recordkeeping/Administration**

- i. Do you provide one main contact for the daily administrative needs of the plan?
- ii. Do you provide daily valuation? Describe in detail how your system allocates earnings.
- iii. What methods of data transmission are available?
- iv. Describe in detail how your system processes contributions.

- v. Describe in detail, including timing, how your system processes in-service and hardship/unforeseen emergency withdrawals. What employer involvement is required?
- vi. Describe in detail, including timing, how your system processes lump-sum distributions, systematic payments/installments, rollovers to another plan or an IRA, and required minimum distributions. What employer involvement is required?
- vii. Describe in detail your loan processing capabilities including the flexibility in your loan repayment processing (i.e., additional loan payments, multiple loans, missed payments).
- viii. How do you handle delinquent and/or defaulted loans?
- ix. Do you offer paperless capabilities for the following activities? If so, describe in detail.
  - 1. Enrollments
  - 2. Loans
  - 3. Beneficiary Forms, etc.
- x. Describe in detail how your system processes transfers/exchanges (including frequency/limitations). Are confirmations sent?
- xi. Describe your process and methods of reallocation. Can participants reallocate using either percent and/or dollar methods?
- xii. Are employer and employee contributions be tracked separately?
- xiii. Are rollover contributions tracked separately?
- xiv. Describe Rollovers to another plan or an IRA. In what capacity is the employer involved in the process? Do you have an automatic rollover to an IRA of vested benefits less than \$5,000?
- xv. Describe options available to terminated/retired participants? Can funds be kept under the plan?
- xvi. Describe in detail your system's capability for calculating vesting.
- xvii. Describe in detail how your system handles Federal and State tax reporting and how you will provide tax form preparation and filing.
- xviii. Describe in detail how you administer and qualify Domestic Relations Orders (DROs).
- xix. What checks and balances do you have in place to ensure transaction integrity?
- xx. Do you provide an administration manual?
- xxi. Will you record keep non-proprietary investment vehicles? Describe the process and systems used.
- xxii. Does your system handle Roth accounts? Is there an additional charge?
- xxiii. Describe the plan sponsor web site and its capabilities.
- xxiv. What other administrative services do you provide?

**c. Regulatory and Legal Services**

- i. Describe your capabilities for the following:
  - 1. Discrimination Testing: ADP/ACP
  - 2. IRC 415(c) limitations (100%/\$50,000 limits)
  - 3. Monitoring of elective deferrals (402(g))
  - 4. Compensation limits (401(a)(17))
  - 5. Top-heavy testing (416(c))

- ii. How do you address violations for any of the testing covered in the previous question?
- iii. Can you assist us in the following areas of plan documentation? If so how?
  - 1. Customized plan document
  - 2. Prototype plan document
  - 3. Customized SPD
  - 4. Prototype SPD
  - 5. Qualification submission
- iv. Describe the type of legal support you provide.
- v. Do you provide either or both of the following:
  - 1. Information to complete Form 5500
  - 2. A signature-ready 5500
- vi. What fiduciary responsibility does your organization assume?
- vii. How will you ensure that our plan remains in compliance?
- viii. How do you ensure that your recordkeeping system is in compliance with all regulations?
- ix. Describe any past or pending litigation, within the last 3 years, relating to the services you are proposing.

**d. Reporting**

- i. Describe the standard reporting package that you would provide CTPF as well as the medium(s) used (provide samples as exhibits).
- ii. What is the typical timeframe, after the reporting period ends, for providing each standard report?
- iii. Describe any customized or ad hoc reporting capabilities including Internet capabilities.
- iv. Describe your standard participant level statements and documents (provide samples as exhibits).
- v. Do you report a personalized rate of return?
- vi. What is the typical timing for the mailing of participant statements? Are participant statements also available and stored online?
- vii. Describe your customization capabilities for participant statements.
- viii. What is the capability for the plan sponsor to add messages to the participant statement?
- ix. Do your quarterly statements comply with all legal and regulatory requirements?
- x. Please describe the level of support that your organization provides to assist Plan Sponsors with their responsibilities as it relates to DOL Regulation § 2550.408b-2 Service Provider Fee Disclosure.

**e. Employee Service – Voice Response System**

- i. Describe the services available through your voice response system (VRS).
- ii. How are transactions processed? How are transactions documented? Are confirmations sent?
- iii. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
- iv. Describe the level of customization available within your VRS.
- v. What are the standard hours of operation?

- vi. Are there transactions that cannot be processed through the VRS?
- vii. Is the menu easy for participants to use? Does it include “help” information? Describe the structure in detail.
- viii. Can a participant elect to move from the VRS to a service representative? When and what services are available?
- ix. How often is the data on the VRS updated? How does the VRS interface with the recordkeeping system?

**f. Employee Service – Internet Access**

- i. Describe the account services and transactions capabilities available through your participant website.
- ii. How are website transactions processed and documented?
- iii. Are there transactions that cannot be processed through your website?
- iv. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
- v. What are the standard hours of account access and transactional availability?
- vi. Can a participant elect to move from the website to a call center service representative? If so, describe the interface between the website and the service representative.
- vii. How often is the data on the website updated? How does the website interface with the recordkeeping system?
- viii. Identify your website account access and transactional availability statistics (average availability per month as a percentage).

**g. Employee Service – Call Center**

- i. Identify your toll-free service center standards. Please include for each of the last three calendar quarters, statistics related to actual performance, including number of calls, average length of calls, average response time, percentage of calls requiring follow-up, call abort rate, percentage of incoming calls totally handled via VRS versus toll-free live service center representative assistance.
- ii. What training is provided to toll-free service center representatives before they are allowed to handle incoming calls?
- iii. Do you monitor and/or tape toll-free calls?
- iv. What are your case management procedures for calls that have service issues?
- v. What information is available to toll-free service representatives to allow them to effectively answer participant questions?

**h. Employee Service – Investment Representative**

- i. Explain your method of providing one-on-one financial education to Plan Sponsor employees.
- ii. Provide the number of representatives or staffing days that will be provided by your organization (at each location).
- iii. What training is provided to representatives before they are allowed to service employees?

**i. Communication and Education**

- i. Describe how you can help CTPF with the initial communication to participants about the conversion.
- ii. How do you describe the blackout period to participants?
- iii. Describe your initial and on-going communication printed material. If the material is tailored to a specific CTPF need, identify the associated costs.
- iv. Do participants get a regularly published newsletter mailed to their homes?
- v. What parts of your communication tools are personalized to the participant?
- vi. When and how are newly eligible employees contacted? Provide a sample enrollment kit.
- vii. Describe your enrollment/education personnel.
- viii. How is investment advice given to employees?
- ix. Describe any managed account program that you offer.
- x. What number of initial and annual meetings per year is included in your proposal?
- xi. Is there a cost for additional meetings?
- xii. Describe special services available to terminated/retired participants with an account balance?

**j. Conversion**

- i. Explain your conversion process, including a proposed timeline. Identify roles and responsibilities.
- ii. What involvement will be required from CTPF during the conversion process? (List responsibilities)
- iii. Do you provide a dedicated conversion team?
- iv. What conversion audit reporting do you provide?
- v. Describe your process to ensure accurate conversion of all historical data.
- vi. Do you have any limitations as to the format/media of conversion records?
- vii. How many conversions have you conducted in the last two years?
- viii. Is a blackout period required? If yes, number of days?
- ix. Average length of time for entire conversion process? Starting with notification of prior provider to the plan being completely operational on your system.
- x. How does your system handle conversion\set-ups of pre-existing loans from another provider?
- xi. How do you monitor the effectiveness and quality of your conversion process and team?

**k. System Capabilities and Hardware**

- i. Describe the hardware platform and software system you use to record keep and administer deferred compensation/defined contribution plans. Was the software developed internally, leased, or bought from another provider?
- ii. Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, client needs, etc.?
- iii. How often is the system upgraded?

- iv. Describe your documented disaster recovery plan. How often do you test your recovery system?
- v. Describe your maintenance and backup procedures including daily backups, retention timetable and off-site backup storage approach. Where are your off-site backup facilities located?
- vi. Describe the method of maintaining plan sponsor and participant history on the system.
- vii. Describe the valuation methods offered by your system.
- viii. Are internal controls of your recordkeeping system audited by an independent accounting firm on an annual or more frequent basis? If so, please provide a copy of the most recent report.
- ix. Describe your system's maximum limits with regards to investment funds, money types, loans, and transfers.
- x. Describe your company's security and privacy standards as it relates to your system.

**I. Investments**

- i. Discuss your organization's ability to provide investment vehicles for defined contribution plans. Be sure to disclose if you are providing these vehicles in-house or through external managers. Provide a list of all funds available on your platform.
- ii. Identify the investment vehicles you are proposing for our plan. For each investment vehicle identified above, provide:
  - 1. The inception date
  - 2. The name of the investment / portfolio manager
  - 3. A brief biography of the manager
  - 4. The investment vehicle objective
  - 5. The investment philosophy
  - 6. The expense structure (including any loads, load waivers, management fees, other expenses, 12b-1 fees, fee subsidies, etc.)
  - 7. The comparative index(es) used by the manager
  - 8. Withdrawal provisions (including restrictions on transfers)
  - 9. Annualized return for the 1, 3, 5 and 10 year (or since inception) periods ending on the last calendar quarter
- iii. Do you have a proprietary fund requirement? Yes or No. If yes by what formula?
- iv. How are new funds added to your platform and how frequently are they added?
- v. What trading platforms do you have access to? How would you determine which trading platform to use?
- vi. Are there additional fees if funds are selected that are not on the list being proposed?
- vii. What factors determine the share class being proposed?
- viii. Describe any market value adjustments at either the Plan or participant level.
- ix. If you are proposing a fixed account investment, provide the following:
  - x. Current and minimum interest rate guarantees and any contract lifetime guarantees

1. How interest is credited and frequency of potential rate changes
  2. Make-up of the underlying portfolio including asset type, grade and percentage breakdown
  3. Credit quality
  4. If there are any trading restrictions, surrender charges and/or market value adjustments when a fund is removed and/or replaced by the plan sponsor, please describe.
  5. Are there any trading restrictions, surrender charges and/or market value adjustments or other liquidity issues applicable to participant direction in or out of the investment? If so, describe.
- xi. If you are proposing a pooled stable value investment vehicle, provide the following:
1. Structure of the portfolio by sector and maturity distribution
  2. Credit quality, credit quality minimum guarantee, average quality, average maturity, modified duration, liquidity percentage and yield to maturity
  3. Are these accounts subject to any surrender or market value adjustment or liquidity restrictions for either participant or plan sponsor directed movement? If yes, describe.
- xii. How and when do you report redemption fees?
- xiii. Are all revenue sharing payments, including internal transfers of payment, made transparent?
- xiv. Are there any additional costs to change funds in the future?
- xv. How are 12b1 and Sub-TA fees disclosed?
- xvi. Can you maintain a revenue sharing/fee reconciliation account into which all revenue sharing is deposited and out of which fees are paid, with any unpaid fees being billed to the plan sponsor and any excess fees available to pay other plan expenses?
- xvii. Can revenue sharing (12b-1, shareholder servicing, and/or sub-transfer agent fees) be credited to participants investing in that fund?

#### **E. Billing/Expenses**

- a. What are the startup/conversion costs?
- b. Are there any costs associated with transferring the records at the end of the contract?
- c. Describe your fee structure in detail. We are interested in understanding your gross revenue requirement prior to reflecting any revenue sharing from investment options as well as any residual fee to be charged after reflecting all revenue sharing from investment options.
- d. For how long will you guarantee specific expenses?
- e. How will future expense increases be determined and when are they to occur?
- f. Are there additional charges made at the time of plan changes we initiate or legislated or regulated changes? Please address the differences should we use a prototype or individually designed plan.
- g. Describe what plan consulting services are included, and related hourly charges and out-of-pocket expenses.

- h. If an investment option is added, replaced or deleted, is there a charge? What is the charge?
- i. If the Plan pays 100% of the expenses, can the fees be paid on a per head basis versus a pro-rata basis?
- j. Describe the process for billing fees to plan participants.
- k. Can an ERISA spending account be created to pay plan expenses that are allowed under ERISA to be paid from the trust?
- l. Can all your fees (custody, trustee, recordkeeping, compliance, etc.) be billed to the plan sponsor, before any offset from revenue sharing?
- m. How are expenses adjusted if a sizeable number of participants are added or removed from the plan (such as either acquisition or divestiture or partial plan termination)?
- n. If you offer an alliance relationship, please identify any “offset” to expenses.
- o. Do you offer performance guarantees? If so, please describe.
- p. State any special considerations with respect to billing or payment of fees and expenses that you offer and that you believe would differentiate your Firm from other proposals and make your Firm’s services more cost effective to the Fund.
- q. CTPF expects the lowest rate charged by Respondent for its governmental and non-profit clients. If for any reason Respondent is unwilling or unable to charge the lowest rate, please explain why.

**F. Firm’s Background, Qualifications, and Experience**

- a. Briefly describe Respondent’s background, history, and ownership structure, including any parent, affiliated or subsidiary company, and any business partners. The firm must be regularly-established in the industry of providing the services outlined in Section III. Scope of Work, and have experienced personnel able to provide the required services. CTPF may request information substantiating the above requirements. Failure to provide this information may result in a Respondent’s proposal being declared non-responsive.
- b. Provide the size of the Firm including number of offices and number of full-time employees. Provide the number of years that the Firm and any individuals identified in the previous “account team” subsection have been providing the services requested in this RFP.
- c. Provide details on your Firm’s employee benefit industry experience/expertise.
- d. Indicate the total value of assets in all defined contribution plans for which you provide recordkeeping services.
- e. Indicate the total number of participants in all defined contribution plans for which you provide recordkeeping services.
- f. State the number of defined contribution plans you currently administer in the following categories:

Number of Participants	Number of Plans	% of Total Defined Contribution Plans
Under 100		
100-999		
1,000-4,999		
5,000-9,999		

10,000-24,999		
Over 25,000		
Total		

- g. Indicate the number and nature of part-time professional staff to be employed in this engagement.
- h. Will your Firm use outside contractors (subcontractors) for this engagement? If so, what confidentiality agreement is in place to protect sensitive information from disclosure? What allocation of the scope of services will be assigned to outside contractors (subcontractors)?
- i. Indicate Respondent’s due diligence process in hiring, evaluating, and monitoring its staff and contractors, as applicable.
- j. List any known professional or personal relationships Respondent or its employees or contractors may have with individual CTPF Board members and/or Fund staff.
- k. Identify any potential or actual conflicts of interest you have in providing services to CTPF. State whether you have ever provided services to CTPF, the City of Chicago, the Chicago Board of Education (“Chicago Public Schools” or “CPS”), the Chicago Teachers’ Union (“CTU”), the Retired Teachers’ Association of Chicago (“RTAC”), the Chicago Principals and Administrators Association (“CPAA”), any Chicago charter school, or any employee group or trade organization related to the aforementioned entities. If so, please state the name of each such client or former client, contact information, and the nature and time frame of such representation. In providing such information you consent to and agree to release CTPF from any liability that may result from contacting such client(s) and communicating with such client(s) about your prior engagements, and soliciting an opinion regarding the work performed for such reference. In addition, please state how you intend to resolve any potential or actual conflict of interest.
- l. Identify all public sector or ERISA fund clients who have terminated their working relationship with you in the past five (5) years and provide a brief statement of the reason(s) for the termination. Provide each client’s contact information. You consent to and hereby release CTPF from any liability that may arise from contacting your former client(s) and communicating with them about the work you performed and the reason for your termination.

**G. Insurance, Liability, Confidentiality, and Litigation**

- a. What assurances can you provide that your Firm will not be subject to cyber-attacks? Describe security and protection measures.
- b. It is expected that the selected firm will have adequate quality control procedures in place to guarantee the accuracy of the work performed. Please describe your quality assurance procedures.
- c. Please describe the levels of your professional liability insurance coverage for client security breaches (cyber risk) and any fiduciary or professional liability insurance your Firm carries. Is the coverage on a per client basis or is the dollar figure applied to the Firm as a whole? List the insurance carriers.
  - i. What limitation on liability, if any, do you impose through your contract? The Firm must not seek to unreasonably limit their liability for negligence.
  - ii. Are you bonded?

- iii. Does coverage for liability, due to your negligence, continue for a period following termination of the contract? If so, for how long?
      - iv. Identify the amount, type of coverage, deductible, and any coinsurance.
- d. What is the organization's policy on confidentiality during and after the engagement?
- e. Has your Firm ever been involved in a lawsuit in the last ten (10) years involving any services provided by the Firm? If so, provide details, including description of the lawsuit, dates, and outcomes.
- f. Has your Firm, related entities, affiliates, principals, and/or officers been a party in any material civil or criminal litigation, or subject to investigation, disciplinary action, or regulatory review, whether or not directly related to services requested by this RFP? If so, provide details, including dates and outcomes.
- g. Describe any anticipated litigation in which your Firm may be involved.

#### H. Sample Contract or Agreement

- a. Please provide your proposed MSPA for negotiation purposes.
- b. Provide additional details, if any, that we should be aware of regarding your contracting process.

#### I. References

- a. Provide three references of current clients who have similar plan demographics (i.e., size and plan design). Please provide client name, contact name, address, phone number, email address, services provided, and year they became a client.
- b. Provide two references of former clients who had similar plan demographics. At least one of the two should have left within the last year. Provide the former client name, contact name, address, phone number, email address, services provided, the year they became a client and the year they ceased to be a client and the reason(s).
- c. In providing such information, you consent to and hereby release CTPF from any liability that may arise from contacting your references and communicating with such references about your prior engagements, and soliciting an opinion regarding the work performed for such reference.

#### J. Required Disclosures

- a. **All Respondents must provide answers to each written disclosure requested below in categories (i) through (ix) as part of their RFP response.** Note that VIII(J)(a)(vi) below requires completion of the EEOC chart attachment to this RFP. **Failure to provide answers to each disclosure question or failure to provide the completed EEOC chart may cause your proposal to be deemed non-responsive.** Respondents should use "none" or "not applicable" as appropriate, but a response **must** be provided for each disclosure category below. Your disclosures must be clearly labeled as "J. Required Disclosures."
  - (i) The Respondent must disclose, labeling each category, separately: (a) any entity that is a parent of, or owns a controlling interest in, the Respondent, (b) any entity that is a subsidiary of, or in which a controlling interest is owned by, the Respondent, (c) any persons or entities who have an ownership or distributive income share in the Respondent that is in excess

of seven and one-half percent (7.5%), and (d) any persons who serve as executive officers of the Respondent, including their titles.

- (ii) The Respondent must disclose, separately: (a) any direct or indirect payments in excess of \$1,000 per calendar year within the prior five (5) calendar years made to any community or not-for-profit organization relating to public education by: (i) the Respondent, (ii) any executive officer of the Respondent, (iii) any parent entity of the Respondent, (iv) the executive officers of any entity that is a parent of, or owns a controlling interest in, the Respondent, and (v) any Shareholder of Respondent with ownership or a distributive income share in the Respondent that is in excess of seven and one-half percent (7.5%); (b) any formal involvement with any community or not-for-profit organization relating to public education by any person or entity identified in (a) above; and (c) any involvement as a member or director of a charter school that contributes to the Fund of any person or entity identified in (a) above. For purposes of this Section VIII(J)(a)(ii) and (iii), "Shareholder" shall mean any person who has an ownership or distributive income share in the Respondent.
- (iii) The Respondent must disclose if: (a)(i) any executive officer of the Respondent, (ii) any parent entity, (iii) the executive officers of any entity that is a parent of, or owns a controlling interest in, the Respondent, and (iv) any Shareholder of the Respondent with ownership or a distributive income share in the Respondent that is in excess of seven and one-half percent (7.5%) has given any direct or indirect financial support in excess of \$1,000 per calendar year within the prior five (5) calendar years or (b) whether the persons or entities identified in (a) above have had any formal involvement within the prior five (5) calendar years with a community or not-for-profit organization with a central purpose of influencing public policy related to budgetary and fiscal policy which directly or indirectly relates to the continued availability and long-term viability of defined benefit pensions in the public sector, to education policy, or to retirement security policy.

For the purposes of this disclosure, an organization has the "central purpose" of influencing policy if it is understood with the exercise of reasonable due diligence, including but not limited to the examination of the organization's IRS filings and other publicly-available statements of purpose, that the organization intends to affect policy or engage in lobbying or other advocacy activity. A Respondent is not required to disclose contributions to organizations that engage in such activities in furtherance of providing medical research, aid to the poor, disaster relief, or other such tangible goods or service. The Trustees have determined that the following organizations presently fall under this required disclosure:

American Enterprise Institute,  
American Legislative Exchange Council,  
Brookings Institution,

California Common Sense,  
California Policy Center,  
Civic Committee of the Commercial Club,  
Heritage Foundation,  
Howard Jarvis Taxpayers Association,  
Illinois Municipal League,  
Illinois Policy Institute,  
Independent Institute,  
Jessie Ball DuPont Fund,  
Laura and John Arnold Foundation,  
Mackinac Center for Public Policy,  
Manhattan Institute for Policy Research,  
Massachusetts Taxpayers Foundation,  
Mercatus Center at George Mason University,  
National Council on Teacher Quality,  
National Institute for Labor Relations Research,  
Nelson Rockefeller Institute of Government,  
National Taxpayers United of Illinois,  
Pioneer Institute,  
R Street Institute,  
Reason Foundation,  
Show Me Institute,  
State Policy Network,  
StudentsFirst,  
Taxpayers for Sustainable Pensions,  
Taxpayers United of America,  
Teacherspensions.org,  
Texas Public Policy Foundation,  
The Future of Freedom of Foundation,  
The Pew Charitable Trust,  
UnionWatch,  
Urban Institute,  
Wyoming Liberty Group, and  
Any state or local affiliates or chapters of the above organizations.

- (iv) The Respondent and any parent, controlling entity, subsidiary, or affiliate must disclose any direct or indirect financial relationships, transactions, or consulting agreements with the Chicago Board of Education entered into within the prior five (5) calendar years. Any such direct or indirect financial relationships, transactions, consulting agreements, or consulting-related contracts with the Chicago Board of Education entered into on or after the execution of an agreement shall be identified in an amended Respondent Disclosure within thirty (30) calendar days of any new relationship, transaction, investment, agreement, or contract with the Chicago Board of Education.

- (v) The Respondent must disclose the names and addresses of any subcontractors and the expected amount and/or percentage of money each will receive under the agreement if authorized by the Fund.
- (vi) The total number of Respondent's staff. The number of Respondent's staff and percentage of its staff, broken out separately for each category, who are (1) a minority person, (2) a female, or (3) a person with a disability. This information must be provided using the EEOC chart available on CTPF's website. Supplemental information to the EEOC chart is welcome.
- (vii) The number of current contracts that the Respondent has with a (1) minority owned business, (2) female owned business, or (3) business owned by a person with a disability.
- (viii) The number of current contracts that the Respondent has with a business other than (1) a minority owned business, (2) a female owned business, or (3) a business owned by a person with a disability, under which, while the business is not owned by one of the above categories, where more than fifty percent (50%) of services performed pursuant to the contract are performed by (1) a minority person, (2) a female, or (3) a person with a disability.
- (ix) The Respondent shall agree to annually disclose various EEO data and diversity of vendor's contracts as required by the Fund.

**K. Exhibits and Attachments**

- a. Any additional information or exhibits appropriate for CTPF's consideration may be included under this category.

**IX. WRITTEN QUESTIONS**

Prospective Respondents who have questions regarding this RFP may email the contacts listed above by the due date listed in the timeline above for written questions. Please reference "Third Party Administrator Services for Defined Contribution Plans RFP Questions" in the subject line of the email. The questions (without identification of the questioner) and the answer will be posted on the CTPF website according to the above timeline.

**X. PROPOSAL EVALUATION**

The following guidelines will be used to analyze and evaluate all proposals. CTPF reserves the right to evaluate all factors deemed appropriate, whether or not such factors have been stated in this section.

**A. QUALIFICATIONS**

In order to be considered as a TPA candidate for this engagement, the Respondent must, at a minimum, possess the following qualifications:

**1. Organizational Experience**

The Contractor must have been in operation for at least five continuous years as of January 1, 2014.

**2. Professional Experience**

The chief administrative officer and account representatives of the TPA must each have at least a three-year history of providing administrative services for Section 457, and other retirement vehicles as of January 1, 2014.

Failure to provide this information may result in a Respondent's proposal being declared non-responsive.

**B. REVIEW OF PROPOSALS**

- a. An Evaluation Committee consisting of Trustees and/or Fund staff will evaluate all proposals received.
- b. An evaluation will first be conducted to determine if Respondents meet the mandatory requirements listed below:
  - i. The Respondent has no conflict of interest with respect to any other work performed by the Respondent.
  - ii. The Respondent must demonstrate that it can meet the requirements of the RFP and the Scope of Work contained in this RFP.
  - iii. The Respondent must adhere to the instructions in this RFP.
  - iv. The Respondent must follow the proposal content and format outlined in Section VIII.
  - v. The Respondent must provide all disclosures requested in Section VIII(J)(a) including the requested EEOC chart.
- c. Factors to be considered by the Committee members include in evaluation will include, but are not limited to:
  - i. Qualifications to perform the services requested;
  - ii. Price;
  - iii. Responses to the Proposal Content in Section VIII; and
  - iv. Presentation to the Committee (if applicable).

Any contract award is ultimately a decision of the Board of Trustees and is not to be based on the evaluations, scoring, or recommendations by the Evaluation Committee.

This RFP is not an offer of a contract. Acceptance of a proposal does not commit CTPF to award a contract to any Respondent, even if the Respondent satisfied all requirements stated in this RFP. Publication of this RFP does not limit CTPF's right to negotiate for the services described in this RFP. CTPF reserves the right to choose to not to enter into an agreement with any of the Respondents to this RFP.

The information submitted in response to this RFP becomes the exclusive property of CTPF.

## **XI. FINALIST PRESENTATIONS**

After the proposal submission due date, CTPF will contact the top-ranked Respondents to set up a meeting, approximately one hour in length, with the RFP Evaluation Committee either on-site at the CTPF offices, 203 N. La Salle, via videoconference, or by telephone. At these meetings, Respondents must be prepared to provide a brief presentation on their services as outlined in their proposal and answer any questions regarding their proposal. Additionally, Respondents may be invited to present to the CTPF Board of Trustees and/or a Board Committee.

At the discretion of the Board of Trustees, top-ranked Respondents may not be asked to present to the Evaluation Committee; rather, such Respondents may instead be asked to present directly to the Board of Trustees or to a Board Committee.

## **XII. RFP WITHDRAWAL OR MODIFICATION**

Proposals may be withdrawn or modified by a written or email request prior to the RFP due date. CTPF may, by written notice to all Respondents, cancel, postpone, or amend the RFP prior to the due date. If CTPF decides, at its sole discretion, that the revision or amendment will require additional time for response, the due date will be extended for all Respondents.

## **XIII. INCOMPLETE PROPOSALS**

CTPF reserves the right to request additional information or to reject the proposal outright if the information provided in a Respondent's proposal is deemed to be insufficient for evaluation. False, incomplete, or unresponsive statements in connection with a proposal may be sufficient cause for its rejection. The evaluation and determination of the fulfillment of the requirements will be determined by CTPF and such judgment shall be final.

Any proposal received at the designated email after the required time and date specified for receipt shall be considered late and non-responsive. Late proposals will not be evaluated for award.

Proposals submitted shall be valid for one hundred twenty (120) days following the closing date noted above. CTPF and the Respondent may extend this period by mutual written agreement. If a solicitation is cancelled before the due date, the offer will be returned to the Respondent who submitted the response.

## **XIV. SELECTION OF WINNING BID**

Award of the contract resulting from this RFP will be based upon the most responsive Respondent whose offer, in the sole discretion of the Board of Trustees, are the most advantageous to CTPF in terms

of the Respondent's submission, including, but not limited to qualification, meeting contract requirements, cost, and other factors as specified in this RFP.

After evaluation of the proposals and approval by CTPF, all Respondents will be notified of the result. Contract negotiations will commence with the selected Respondent.

## **XV. REIMBURSEMENT FOR PROPOSAL PREPARATION**

CTPF will not reimburse any expenses incurred in responding to this RFP including, but not limited to, the costs of preparing the response, providing any additional information, or making a presentation or presentations. CTPF reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

## **XVI. QUIET PERIOD**

During the RFP review period (which begins on the date the RFP is posted on CTPF's website) to and until a contract is executed, there shall be no communication between Respondents and CTPF's Board members or Fund staff (other than the RFP contact listed in Section V or his or her designee) regarding any product or service related to the search. Respondents may communicate with the Contract and Procurement Administrator or her designee solely regarding administrative questions relating to the procurement process. All other questions must be asked and will be responded to through the RFP question and answer process.

The quiet period shall not prevent customary respondent due diligence, initiated by CTPF, or communications with a current service provider who happens to be a candidate, provided that any such communication must be in the ordinary course of business and necessary for the provision of current services provided by such service provider. Discussions relating to the pending selection are strictly prohibited.

## **XVII. RFP LIMITATIONS AND CONDITIONS**

- A. This RFP does not commit CTPF to award an agreement or procure services of any kind whatsoever. CTPF reserves the right, in its sole discretion, to negotiate with any or all applicants considered, or to postpone, delay, or cancel this RFP, in whole or in part. CTPF may terminate discussions, in its sole discretion, or select another finalist. CTPF reserves the right to award an agreement or agreements based upon the proposals received. The Firm should not assume that there will be an opportunity to alter or amend its proposal at a later date or at the time of contract negotiations.
- B. CTPF may request that Respondent clarify the content of the proposal. Other than for purposes of clarification, no Respondent will be allowed to alter or amend its proposal after the RFP due date.
- C. All materials submitted in response to this RFP shall be the sole property of CTPF. CTPF reserves the right to use any and all ideas submitted in the proposals.

- D. CTPF reserves the right to reject or cancel in whole or in part at any time, any and all proposals received; to waive minor irregularities; to negotiate in any manner necessary to best serve CTPF and to make a whole award, multiple awards, a partial award, or no award.
- E. CTPF reserves the right to reject any or all offers and to discontinue this RFP process without obligation or liability to any potential vendor.
- F. CTPF reserves the right to reject the proposal of Respondent who is not currently able to perform the contract. CTPF reserves the right to award a contract, if at all, to the Firm which will provide the best match to the requirements of the RFP and the needs of the Fund, which may not be the proposal offering the lowest fees. CTPF may take into consideration any factor it deems relevant, including but not limited to, past experience, financial stability, the ability to perform the requirements as set forth in this RFP, or previous failure to perform similar contracts in accordance with the terms, or in a timely manner, and other relevant criteria. CTPF is not required to accept for consideration any proposal that fails to address or does not comply with each of the requirements or the criteria set forth in this RFP.
- G. CTPF reserves the right to award a contract on the basis of initial offers received, without discussions or requests for best and final offers. Conversely, CTPF reserves the right to request best and final offers.
- H. Any contract award is ultimately a decision of the Board of Trustees and is not required to be based on the evaluations, scoring, or recommendations by the Evaluation Committee.
- I. If Respondent submits a proposal, CTPF reserves the right to conduct its own due diligence and to undertake such investigations as it deems necessary to determine Respondent's satisfaction of the qualifications and ability to furnish the required services. Upon request, Respondent agrees to provide any and all information for this purpose.
- J. CTPF reserves the right to request additional documentation or information from Respondents. Requested information may vary by Respondent. CTPF may ask questions of any Respondent to seek clarification of a proposal to ensure the Respondent understands the scope of the work or other terms of the RFP.
- K. CTPF does not guarantee or commit to contracting any specific number of projects to Respondent during the life of the agreement.
- L. Written approval from CTPF will be required for any news releases regarding the award of contract.

## **XVIII. MINORITY AFFILIATION**

CTPF is an equal employment opportunity employer, and endeavors to increase the utilization of vendors who are MWDBE companies. Please provide any information relative to your Firm's minority Firm affiliations or minority Firm participation in the engagement, and a MWDBE breakdown for your Firm. Please also provide any MWDBE subcontractors/subvendors that Respondent intends to use on this contract, including the name, role, and expected payments and percentage utilization.

## **XIX. WAIVER OF CLAIMS**

By submitting a proposal, the Respondent agrees to waive any claim it has or may have against CTPF, its Board of Trustees, and/or CTPF officers, employees, and agents arising out of or in connection with the

administration, evaluation, or recommendation of any proposal, the waiver of any requirements under the RFP, the acceptance or rejection of any proposal, and/or the award of the contract.

## **XX. CONTRACT NEGOTIATIONS**

Once the Respondent(s) has been selected to perform the services, the parties will begin negotiating the terms of the engagement. CTPF does not anticipate or desire a lengthy negotiation. CTPF may, in its sole discretion, terminate negotiations and proceed to engage another party for such services, whether or not that party was a Respondent, if the parties are unable to expediently negotiate an agreement or reach a bargaining impasse.

## **XXI. NOTICE REGARDING ILLINOIS PUBLIC RECORDS LAWS**

The proposal that you submit will be subject to the Illinois Freedom of Information Act (5 ILCS 140/) "FOIA Act"). The FOIA Act provides generally that all records in the custody or possession of a public body are presumed to be open to inspection or copying. Any public body that asserts that a record is exempt from disclosure has the burden of proving by clear and convincing evidence that such record is exempt from disclosure. CTPF will determine, in its sole discretion, whether the materials are subject to public disclosure, if a request is made in accordance with the FOIA Act for materials submitted in response to this RFP. If CTPF denies a public records request based on a Respondent's representation that such information is proprietary, privileged, and/or confidential, Respondent, by submission of a response to this RFP making these proprietary, privileged, and/or confidential assertions, agrees to reimburse CTPF for, and to indemnify, defend, and hold harmless CTPF, its officers, Trustees, fiduciaries, employees, and agents from and against any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to CTPF's complete or partial FOIA denial based on Respondent's assertions. By submitting your proposal, you further agree to indemnify, defend (at CTPF's discretion), and hold CTPF harmless from and against any and all Claims arising from or relating to CTPF's complete or partial disclosure of your proposal if CTPF determines, in its sole discretion, that such disclosure is required by law, or if disclosure is ordered by a court of competent jurisdiction.

## **XXII. MOST FAVORED TERMS**

All prices, terms, warranties, and benefits offered by the Respondent in its proposal must be comparable or better than those offered by the Respondent in agreements with substantially similar governmental or quasi-governmental clients. Should the Respondent make available more favorable terms to a substantially similar governmental or quasi-governmental client with respect to the types of services set forth in Respondent's proposal, Respondent will make such prices, terms or conditions available to CTPF.

### **XXIII. AGREEMENT AND APPROVAL**

The Fund may select one or more firms to provide the services described herein.

To the extent one or more firms are selected, CTPF will work to negotiate an agreement with the selected firm (s), giving due consideration to the stipulations in the Firm's(s') submitted standard agreement.

The selected firm(s) shall be required to assume full responsibility for all services and activities offered in its/their proposal whether or not provided directly. Further, CTPF will consider the selected firm(s) to be the sole point of contact with regard to contractual matters, including payment of fees.

The selected firm(s) and its/their personnel, including subcontractors, shall treat any and all information provided by CTPF as confidential and is/are prohibited from using that information for any other purposes than those provided by contract, without CTPF's express written consent.

The selected firm(s) shall not use a subcontractor without CTPF's express written consent. All terms and conditions of a contract with the selected firm(s) shall be equally binding on any subcontractors.

The selected firm(s) shall meet specific performance standards established during the contract negotiation process. The approved project schedule, specifying agreed upon, significant milestone events, and a project completion date, shall be incorporated into the contract as projects are identified and assigned to the successful Respondent(s) by CTPF.