



ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

REQUEST FOR PROPOSAL: **TVN0044** ADDENDUM NO. **2** DATE OF ADDENDUM: **August 21, 2014**

This addendum is to incorporate changes to the above referenced solicitation:

I. Questions:

Q1: Please identify the number of locations that requires education and the number of employees at each location.

A1: The City of Austin currently has 37 departments housed in 354 different building locations. Forty-seven of these locations house 50 or more employees.

The City of Austin Human Resources Department currently asks the existing contractor to attend the onsite meetings outlined below, and to follow up on any questions received. While not all of the meeting opportunities listed below are required under the new contract, each would be made available to the selected respondent.

NEO (new employee orientation) Presentations:

- Each newly-hired regular non-civil service employee attends one orientation, which can last up to four hours. These orientations are held typically 26 a year. An average of 40 people attend each NEO.
- Each newly-hired Police, Fire, and EMS employee attends one two-to-four hour orientation. These orientations are held typically four to six times a year.
- Newly-hired executives are orientated at a one-on-one appointment typically lasting one to two hours. There are typically 20 to 30 executive appointments per year.

Pre-retirement Seminar Presentations (each retirement system hosts these two-hour seminars):

- City of Austin Employee Retirement System (COAERS) holds them monthly.
- Austin Firefighters Relief and Retirement Fund (AFRS) holds three or four per year.
- Austin Police Retirement System (APRS) holds four to six per year.

Wellness Booths:

- Two to three large City of Austin Health Fair Expos are held per year, lasting from six to 10 hours each.
- Four to six “mini” City of Austin Health Fair Expos are held per year, lasting from six to 10 hours each.
- Once a year, the City hosts a two-day City Olympics for current employees, lasting from four to six hours per day.

Open Enrollment Presentations:

- 100 open enrollment meetings are held over a four week period, lasting from 8 to 10 hours per presentation day.
- Two four-hour open enrollment coordinator training meetings are held per year.

Presentations/Booths at Other City of Austin Events:

- One to two all-day Safety Fairs are held per year.
- One to two all-day Educational Fairs are held per year.
- An all-day HR Professionals Day event is held.

- Q2: How many days of onsite education does the City currently receive?**
- A2:** There are currently two full-time representatives dedicated to the Plan. Please refer to pages three and four of the “Monthly Service Review for May 2014” in the RFP package for a summary of onsite representative activity in the areas of education, marketing and/or customer service.
- Q3: Does the current level of education on-site support meet the expectations of the City?**
- A3:** The City of Austin Deferred Compensation Plan expects to work with the selected respondent to develop and execute a suitable and cost effective approach to educating participants and employees.
- Q4: Section 1.C of the Scope of Work indicates that Austin does not anticipate the need for full-time representatives, but foresees the need for the occasional use of representatives. We understand that the plan currently has two full-time dedicated representatives – can you provide an estimate of the number of onsite days annually you anticipate needing so we can better prepare a response to meet your needs?**
- A4:** Responses to Scope of Work (RFP Form 0600), Question #3,D,i (Pricing Scenario I) must include a minimum commitment of 60 on-site days for a representative.
- Q5: What additional retirement education would the City see as beneficial to its employees?**
- A5:** The City of Austin Deferred Compensation Plan is open to suggestions about expanding its educational plan and expects to work with the selected respondent to develop a suitable and cost-effective approach.
- Q6: Is there a need for communications in languages other than English? If yes, please specify.**
- A6:** Written communications may be needed in Spanish from time to time, but are not required. Representatives with fluency in technical financial terminology and conversational Spanish are strongly preferred for attendance at onsite meetings as well as for phone customer service support.
- Q7: Please confirm that all investment options do not have any participant liquidity restrictions or surrender charges and all assets are considered mappable within 90 days of the transition.**
- A7: Mutual Funds**
 The American Century International Fund (TWIEX) included in the deferred compensation plan has a participant Short-Term Trading Fee associated with it. This fee would be waived should the Plan Sponsor make a decision to liquidate the fund. The remaining investment options in the Plan do not have any surrender charges associated with them.
- Stable Value**
 An Equity Wash provision is in place for participant transfers out of the Austin Fixed Fund to “competing” investment options. The competing funds are the Velocity Credit Union and the Self-Managed Account.
 The Austin Fixed Fund (ING Stabilizer) at the plan level has a liquidation provision where clients may receive actual market value of underlying assets (including taking assets in-kind) with 30 days termination notice or a Book Value (BV) payout over time.
- Q8: If some of the assets are not transferrable within 90 days, how much of the assets will not transfer and when will they become available?**
- A8:** See response to question 7 above.
- Q9: Please verify that all assets are able to be transferred to a new vendor at the direction of the employer.**
- A9:** See response to question 7 above.
- Q10: Please provide details about the following options in the investment lineup: Velocity Credit Union: Are there any restrictions that would prevent the funds from transferring to a similar fixed product at a new vendor such as: short-term redemption fees, surrender charges, or any other liquidation restrictions?**
- A10:** No.

Q11: Regarding the Austin Fixed Fund, are there any restrictions that would prevent the funds from transferring to a similar fixed product at a new vendor such as: short-term redemption fees, surrender charges, or any other liquidation restrictions?

A11: The Austin Fixed Fund (ING Stabilizer) at the plan level has a liquidation provision where clients may receive actual market value of underlying assets (including taking assets in-kind) with 30 days termination notice or a Book Value (BV) payout over time.

Q12: How does Velocity provide participant balance and data to the recordkeeper? Is data provided daily?

A12: Velocity does not provide individual participant balances and data to the current record keeper. The current record keeper maintains all participant balances and data on their record keeping system.

Q13: The RFP mentions that the Plan's investment menu currently includes a credit union option through Velocity. Can you provide additional details on this investment option including how it is currently being record-kept?

A13: The Velocity credit union option is record kept in the same manner as all other investment options in the City of Austin's Deferred Compensation plan. Velocity provides the current record keeper with a quarterly interest rate, annual percentage yield (APY) and guaranteed minimum rate and the current record keeper calculates and loads a daily net asset value (NAV) to the record keeping system.

Q14: Please confirm if the Velocity Credit Union is a liquid account only, or if CDs are involved? If the latter, please provide information on the number, assets, and maturity dates.

A14: Velocity is a fully-liquid account similar to a Money Market Fund.

Q15: Please confirm if we should assume the existing fund line-up in our pricing (with the possible exception of Tier One) or if we should suggest funds for mapping?

A15: As stated in the RFP, the City of Austin will select investment options once the recordkeeper contract is awarded. None of the investment options are expected to generate any revenue toward plan recordkeeping costs under the new contract; all participants shall be separately billed for the Plan's recordkeeping services.

Q16: If the incumbent is not selected, please confirm when the City would like to complete transition to the selected vendor.

A16: Transition to the new contract should be completed consistent with the June 2015 expiration of the current contract.

Q17: Are deemed IRAs a part of the plan? If so, please confirm the number of participants with deemed IRAs.

A17: No, deemed IRAs are not part of the Plan.

Q18: Will the existing record keeper or the City be able to provide historical participant salary deferral information for purposes of the final Three-Year Catch-up provision?

A18: Yes.

The information provided below is based on the number of individuals that applied for the three year catch-up provision and shows the average maximum allowed for each of the three years. The amounts actually deferred may be equal to or less than the allowed amount.

YTD for 2014: 16 participants can defer an average of up to \$32,089

2013: 23 participants could defer an average of \$33,372

2012: 32 participants could defer an average of \$30,496

2011: 43 participants could defer an average of \$28,953

- Q19: Please describe how ING works with the City to update and maintain the www.dcaustin.com website.**
- A19:** The “dcaustin.com” address currently feeds into a “shell” ING website that the City has minimally customized.
- Q20: Please verify the number of active vs. terminated participants in the plans.**
- A20:** As of the June 2014 administrators report, there were 11,351 participants with an account balance. Of those, 6,904 participants were actively contributing to the plan, an additional 932 participants are actively employed but not contributing, and 3,515 participants have termed employment with the City.
- Q21: Please clarify what the City is looking for when they ask for the provider to: Describe the work plan to service the Austin 457 plan.**
- A21:** The City is expecting respondents to provide an explanation of how they plan to service the plan from a conceptual standpoint.
- Q22: Can you provide the current payroll file for our review to confirm that we can accept the City's file without modification?**
- A22:** Refer to Attachment 4 (Document RFP TVN0044ATT4).
- Q23: The bid states that ‘Acceptance of the City’s payroll file without modifications is required’. Can you provide a sample file/layout to review?**
- A23:** Refer to Attachment 4 (Document RFP TVN0044ATT4).
- Q24: Please provide the City’s remittance file layout.**
- A24:** Refer to Attachment 4 (Document RFP TVN0044ATT4).
- Q25: May we use the logo associated with the City’s 457 Plan website (dcaustin.com) in our bid response? If yes, can you provide a jpg copy of the logo for our use?**
- A25:** Yes. See Attachment 5 (Document RFP TVN0044ATT5).
- Q26: Does the City intend to keep the existing toll-free number for Austin participants (877-66-AUSTIN)?**
- A26:** No. However, a toll-free option should be provided for participants to access customer service and support.
- Q27: Please confirm whether the use of a local minority- or women’s- business enterprise is required for this RFP? If so, is there a specific percentage required?**
- A27:** There are no goals established for this solicitation, so there are no such requirements. However, if a Contractor intends to use any sub-contractors in the execution of services, the Contract is required to contact SMBR in an attempt to find a certified MBE/WBE vendor that may be able to fill that need.
- Q28: Is there currently a plan adoption agreement? If so, can you please provide it?**
- A28:** Yes. Refer to Attachment 6 (Document RFP TVN0044ATT6).
- Q29: Please provide a timeline for the remainder of the RFP process including estimated dates for finalist presentation, and award**
- A29:** Date estimates are as follows and subject to change:
Optional interviews in Austin: 10/29/14 to 10/31/14
Contract award/execution: 11/21/14 to 12/31/14
Kickoff implementation meeting: 01//12/15
First file sent under new contract: 05/29/15
First official payroll file (payday): 06/06/15

