



Addendum Two / RFP 13-2205

RFP 13-2205 DEFINED CONTRIBUTION PLANS THIRD PARTY ADMINISTRATOR

The following questions were submitted on this solicitation. In the interest of fairness, this information is being provided to all interested proposers.

Q1. Please confirm the desired contract term. On page 3, it is stated at three to five years, however in the RFP questionnaire's fee section, it is stated at five or seven years.

Answer: Metro intends to engage in a contract for a three to five year term. Please provide fee quotes for three and five year contracts in your answers to questions H4 and H6, rather than the five and seven years listed in the RFP document as it was delivered.

Q2. Please provide the plans' current fund line-ups, including ticker symbols.

Answer: Please see the attached present fund menus for both the 457 and 401(k) plans

Q3. Does Metro submit contributions and loan repayments in a single file for all participants?

Answer: Metro presently submits contributions and loan repayments in a single file.

Q4. Please clarify the amounts of "Total Lump-Sum and Other Withdrawals" for the years 2010 and 2009 (on page 7, the table "457 (b) Plan assets").

Answer: Please see the revised table below:

	3/31/2012	2011	2010	2009
Total Assets (\$)	\$4,936,050	\$4,878,713	\$4,952,793	\$3,940,535
Total # of Participant Accounts	137	137	134	132
Total # of Active Accounts	123	116	108	102
a. Total Deferrals (\$)	NA	\$543,083	\$562,793	\$555,342
b. Total Roll-Ins	NA	\$116,884	\$0	\$0
c. Total Systematic Withdrawals (\$)	NA	NA	NA	NA
d. Total Lump-Sum and Other Withdrawals	NA	\$754,423	\$193,911	\$10,464
Net Plan Cash: Flow (a+b) - (c+d)	NA	-\$94,456	\$368,882	\$544,878
Total # of all Distributions	NA	8	7	5
Total # of Accounts in Systematic Distribution	NA	2	2	2

Q5. What is important from a Retirement Education standpoint? What is not?

Answer: Metro employees need to understand their Oregon PERS pension benefit, Social Security; and how their 401(k) and 457 plans help to complete the retirement picture.

Q6. Is there a preference to use paper-based or electronic education materials?

Answer: Metro believes using a combination of both media will be most effective.

Q7. Please indicate how many in-person education meeting days would be expected for education annually and how many are currently being offered?

Answer: Please submit your own estimates of what will be required to do an effective job serving the Metro employee population.

Q8. Can you provide the total number of locations and a breakdown with the number of participants at each location?

Answer: The primary locations are all within the Portland Metro area. Employee numbers below are benefit eligible employees and not plan participants. Plan participants data by work location is not available.

Blue Lake /Oxbow Parks	15
Expo Center	30
Metro Central Hazardous Waste Station	19
Metro Regional Center	283
Metro South Hazardous Waste Station	20
Oregon Convention Center	102
Oregon Zoo	124
Portland Center for Performing Arts	<u>47</u>
Total	640

Q9. Is there a need for communications in languages other than English? If yes, please specify.

Answer: No.

Q10. Are there existing employer communication channels to provide retirement education (newsletters, benefit kiosk, intranet, etc.)?

Answer: Yes. There are employee newsletters, bulletin boards and an annual Benefits Fair.

Q11. What are the demographics (ages, employment types, etc) of the plan?

Answer: Precise information is not available, though in general Metro has a graying employee population with many employees between the ages of 45-55.

Q12. In reviewing the RFP, we noticed that last year's 401(k) distributions were nearly double the amount of the plan's contributions for the same period. Can you explain why this occurred?

Answer: In 2011 there were an unusually high number of retirements, accompanied by these distributions.

Q13. What level of onsite service is currently being provided by the incumbent vendor?

Answer: Presently, the providers are on-site twice per year.

Q14. Is Attachment A to be completed and included with the proposal or appendix?

Answer: No. Respondents are instructed to confirm that they can meet the insurance requirements stated in Attachment A, along with the other Minimum Requirements identified on Page 5.

Q15. On page 10, question A6 requests the associated rating reports from Standard & Poor's, Moody's and Fitch; in lieu of the reports, will you accept a web address link to the company's public rating on each of the above mentioned reporting agencies?

Answer: Please complete the table indicating the most recent claims paying and counterparty credit ratings. You may attach link to the reports supporting these ratings rather than hard copies of them if you choose.

Q16. With regard to Minimum Qualification number 8 on page 7 of the RFP: Is this requirement currently in place? Has it been in place historically for the 457 plan?

Answer: This requirement is a new specification for the Plans. However, please note that Metro wishes to change this requirement at this time to read as follows: "The firm must be able and willing to provide on-site individual participant counseling and education services to all those requesting such services on a quarterly schedule." Please note the change from "monthly" to "quarterly" in this revised specification.

Q17. Please clarify what it means to be "duly qualified" to do business in the State of Oregon, as described in Minimum Requirement number 9. Are there special registration requirements?

Answer: This requirement seeks to confirm that interested firms will be licensed to do business in the State of Oregon, and in the case of firms that sell insurance or securities, to be properly licensed and registered with the appropriate State agencies.

Q18. Because of the large number of requests that our firm receives for client references, our clients have asked that we refrain from using their names until a later date in the evaluation process. Should you select us as a finalist, we will be happy to provide references. Our former clients have asked that we refrain from using their names until a later date in the evaluation process. Should you select us as a finalist, we will be happy to provide these references. Do you have any concerns with this approach?

Answer: Metro would greatly prefer that firms provide references in the RFP response. However, if a firm does not have references which wish to be identified at this stage of the process, responding firms may defer providing references until and if the firm is selected as a finalist in this process.

Q19. Please provide clarification of meaning of "affiliations with" in question A15. Would this include an industry group where we may be members?

Answer: The intent of this question is to understand whether firms are participating in professional or union arrangements that are designed to enhance their prospects for winning business from potential clients. This would generally not include membership in a mutual fund (such as ICI) or insurance industry organization.

Q20. Please identify the number of days the plan is currently receiving for onsite one-on-one participant and group meetings? Is it the desire of the plan to continue with the same level of onsite days currently provided?

Answer: Please see the answer to questions 20 and 23 above.

Q21. Are you currently offering a self-directed brokerage option to participants?

Answer: See page 7 of the RFP for the current SDBO status.

Q22. With respect to the Stable Value account: identified in Attachment C, can you please provide a copy of the contract?

Answer: The contract is not available for review at this time.

Q23. Please confirm that the Stable Value option is subject to a one year put, that the Plan has executed the put notice and the product assets will be fully liquid and mappable at the time of the expected plan implementation in 2013. If not, please describe in detail, the Plan's expectations for any plan or participant liquidity restrictions on the Stable Value account including the liquidity provisions associated with terminating the account.

Answer: As indicated on Page 7, stable value fund assets in the 401(k) plan are subject to a one year put. Please note that the RFP text is in error, and that notice has not been given for liquidation of these assets. Therefore, in the event that the incumbent provider and the incumbent stable value fund are not retained, notice will be given to begin the one year put time period as soon as this decision has been made.

Q24. Is there an option to terminate the Stable Value contract and receive the proceeds "immediately" subject to a market value adjustment or surrender charge? If any market value adjustments or surrender charges apply, please provide a current percentage estimate.

Answer: The funds are only available in a lump sum format, following the elapsing of the one year put, unless the present stable value manager chooses to liquidate the account prior to the one year date.

Q25. If book value installments can apply to the Stable Value contract, please provide the number of payments and the frequency with which those payments are made.

Answer: N/A see the answer to Q31 above.

Q26. If book value installments can apply to the Stable Value contract, please confirm that both benefit payments and participant transfers continue to be allowed during the book value installment period.

Answer: N/A, see the answer to Q31 above.

Q27. What minimum crediting rate and actual rate is currently being offered on the Stable Value account and when does each expire?

Answer: There is no minimum crediting rate. As of 9/30/2012 the annualized returns were as follows:

Third Quarter: 0.54% (2.16% per year)

One Year: 2.58%

Two Year: 2.82%

Five Year: 3.23%

Ten Year: 3.73%

Q28. Does the Stable Value account credit one rate to all accumulations at a point in time? (aka "portfolio rate structure" or are there multiple rates in effect at a point in time depending upon when the premiums were originally deposited to the contract (aka "bucketed structure").

Answer: The stable value funds both credit one identical rate to all assets in the SV account.

Q29. Please confirm that all investment options do not have any participant liquidity restrictions and all assets are considered mappable.

Answer: All assets except the 401(k) stable value assets will be immediately mappable at the time of a transition. The 457 Plan TPA has indicated that all assets including the 457 Plan stable value option will be 100% available for transition and mapping.

Q30. Are there frozen life insurance policies in this plan? If so, please confirm the number of participants who have the policies, and if there are contributions being made to the policies. Please also advise who the insurance company is who maintains the life insurance policies.

Answer: There are no life insurance policies of any type in the Plans.

Q31. Please clarify loan repayment method currently utilized. Does the plan currently offer payroll deduction as a repayment method? In addition, does the plan offer electronic funds transfer from a bank account or personal check as a repayment method? Is it the desire of the plan to continue offering the same methods of repayment methods?

Answer: As indicated in the RFP, loan repayments are only being done via payroll deduction and there are no plans to change this methodology.

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Metro Procurement Analyst

Portland Metro 457 Plan

Investment Menu - As of March 31, 2012

Asset Class	Fund Name	Ticker	Plan Assets
Short Term Fixed	GSTIF	None	\$62,621
Stable Value Option	Dwight Asset Management	None	\$348,253
Intermediate Bond			\$383,879
	BlackRock US Debt	None	
	Fidelity Broad Market Duration	None	
	Wellington Capital Bond Core Plus	None	
	Weighted Average		
Large Cap Value Equity			\$601,805
	BlackRock Russell 1000 Value	None	
	Dodge and Cox	DODGX	
	MFS Value I	None	
	LSV Value	LSVEX	
	Weighted Average		
Stock Index	BlackRock Russell 3000 Fund	None	\$537,447
Large Cap Growth Equity	BlackRock Russell 1000 Growth	None	\$412,161
	American Funds AMCAP A	AMCPX	
	Wells Fargo Adv. Endeavor Sel. I	WFCIX	
	Delaware US Growth Instl	DEUX	
	Weighted Average		
International Equity			\$499,415
	Artisan International	ARTIX	
	BlackRock EAFE Fund F	None	
	DFA Emerging Markets Core I	DFCEX	
	GMO Foreign III	GMOFX	
	Oakmark International I	OAKIX	
	Marsico International	MIOFX	
	Weighted Average		
Small/Mid-Size	BlackRock Russell 2000	None	\$859,033
	American Beacon SCV Instl	AVFIX	
	Callan Dividend Trust	None	
	Columbia Acorn Z	ACRNX	
	T Rowe Price Midcap Growth Instl	PMEGX	
	Weighted Average		
Target Date Funds	Retirement	None	\$249,137
	LifePath 2015	None	\$294,952
	LifePath 2020	None	\$309,024
	LifePath 2025	None	\$92,351
	LifePath 2030	None	\$156,124
	LifePath 2035	None	\$185,662
	LifePath 2040	None	\$86,385
	LifePath 2045	None	\$27,707
	LifePath 2050	None	\$68,498
	LifePath 2055	None	\$0

Portland Metro 401(k) Menu

Fund Name	Ticker	Assets	Expense
			Ratio
Vanguard PRIMECAP Fund Investor Shares	VPMCX	\$9,094,421	0.45%
Vanguard 500 Index Fund Investor Shares	VFINX	\$5,920,044	0.17%
Vanguard Total Bond Market Index Fund Investor Shares	VBMFX	\$4,957,220	0.22%
Vanguard Wellington Fund Investor Shares	VWELX	\$4,905,336	0.27%
Vanguard Retirement Savings Trust	-	\$4,443,748	0.31%
Vanguard Explorer Fund Investor Shares	VEXPX	\$3,181,451	0.50%
Vanguard International Growth Fund Investor Shares	VWIGX	\$2,860,679	0.47%
Vanguard U.S. Growth Fund Investor Shares	VWUSX	\$1,927,917	0.44%
Vanguard Windsor II Fund Investor Shares	VWNFX	\$1,708,957	0.35%
Vanguard Target Retirement 2015 Fund	VTXVX	\$1,286,585	0.17%
Vanguard Extended Market Index Fund Investor Shares	VEXMX	\$1,225,107	0.28%
Vanguard Target Retirement 2035 Fund	VTTHX	\$1,113,876	0.19%
Vanguard Prime Money Market Fund	VMMXX	\$1,062,806	0.20%
Vanguard Total Stock Market Index Fund Investor Shares	VTSMX	\$952,914	0.18%
Vanguard Target Retirement 2025 Fund	VTTVX	\$869,643	0.18%
Vanguard Target Retirement 2010 Fund	VTENX	\$486,331	0.17%
Vanguard Target Retirement 2045 Fund	VTIVX	\$379,963	0.17%
Vanguard Target Retirement 2020 Fund	VTWNX	\$348,888	0.17%
Vanguard Target Retirement Income Fund	VTINX	\$253,729	0.17%
Vanguard FTSE Social Index Fund Investor Shares	VFTSX	\$134,314	0.29%
Vanguard Target Retirement 2030 Fund	VTHRXX	\$93,859	0.18%
Vanguard Target Retirement 2050 Fund	VFIFX	\$44,271	0.19%
Vanguard Target Retirement 2040 Fund	VFORX	\$24,907	0.19%
Vanguard Target Retirement 2055 Fund	VFFVX	\$2,742	0.19%
Domini Social Equity Fund; Investor Shares	DSEFX	\$326,292	1.25%