



Fiduciary Advisor/Consultant for Voluntary Retirement Plans

RFP 12-2033

Metro Human Resources Department

600 NE Grand Ave.
Portland, OR 97232
503-797-1700

Project Manager

Jodi Wilson
Jodi.wilson@oregonmetro.gov
503-797-1723

Procurement Analyst

Sharon Stiffler
Sharon.stiffler@oregonmetro.gov
503-797-1613

Notice is hereby given that proposal's for RFP 12-2033 for a Fiduciary Advisor/Consultant for Metro's Voluntary Retirement Plans shall be received by Metro, 600 NE Grand Avenue, Portland OR 97232 by close of business on February 2, 2012. It is the sole responsibility of the proposer to ensure that Metro receives the Proposal by the specified date and time. Proposals may be mailed, delivered, faxed or emailed. Proposers shall review all instructions and contract terms and condition.

Request for Proposals (RFP 12-2033)

I. INTRODUCTION

The Human Resources Department of Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 NE Grand Avenue, Portland, OR 97232-2736, is requesting proposals for a Fiduciary Advisor/Consultant for Metro's deferred compensation plans. Proposals will be due as indicated on the RFP cover page.

II. BACKGROUND/HISTORY OF METRO'S PLANS

Metro's original 401 (k) Plan ("401(k)") was adopted in 1978 and it served as the vehicle for both employer contributions and employee retirement savings. At that time accounts were maintained at Bankers Life Company of Des Moines (which is now the Principal Financial Group).

The plan was amended at least twice before Metro became a PERS participant July 1, 1991. When Metro entered the PERS system, employer contributions ceased. The plan became grandfathered and the 401(k) plan was amended for employee only contributions. There are still some accounts from prior to 1991 with employer contributions, but the majority are employee only contributions.

Metro's 401(k) provides both a Traditional and Roth deferral option. Vanguard is the administrative service provider of record. As of December 31, 2011 plan assets were in excess of \$45 million. At this time there are approximately 619 participants. Currently Metro's 401(k) Committee manages the relationship with the Plan provider, makes selection of fund decisions and reviews performance.

Metro also offers a 457 Plan ("457") through the Oregon Savings Growth Plan. This plan was adopted December 15, 2003. As of December 31, 2011 Metro's 457 plan assets are approximately \$4.9 million with 165 participants.

Initial contract is for a 15 month period.

III. PROPOSED SCOPE OF WORK/SCHEDULE

Metro is looking for a Consultant to help oversee the compliance and fiduciary duties related to the 401(k) and 457 plans. Initial part of the engagement is anticipated to include a review of the existing service providers, benchmark the providers, review current investment options, and analyze fee levels. It should be noted that Metro's intent with this part of the engagement is not necessarily to replace the current plan providers, but to ensure we are providing our employees comprehensive retirement programs at a reasonable cost. In addition, Metro is seeking proposals from qualified firms to perform the following services and to deliver the products described:

- Act as a co-fiduciary for the 401(k) and 457 plans.
- Help manage relationships with plan providers and provide ongoing review of service levels.
- Conduct periodic RFP's to ensure Metro's administrative costs are competitively priced.
- Review investment policy statements and make recommendations as needed to ensure due diligence.
- Help formalize an internal review committee, and keep committee members appropriately educated and informed on an ongoing basis.
- Periodic analysis of investment options in the 401(k) and 457, ensuring options offered provide an appropriate mix and diversity of investment types and spread risk over multiple product providers.
- Provide periodic analysis of investment options in the 401(k) and 457, ensuring options offered are performing favorably compared to peers and appropriate indexes. For funds not performing up to expectations based on peers or indexes, provide guidance for replacement.

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IV. QUALIFICATIONS/EXPERIENCE

Proposers shall have the following experience:

- 1.) Firm must be a Registered Investment Advisor
- 2.) Individuals working on account must be licensed in accordance with the SEC
- 3.) Individuals working on account must have a minimum 5 years of experience in the field of advising and/or administering deferred compensation programs.

V. PROJECT ADMINISTRATION

Metro's project manager, Jodi Wilson, will administer the project. Proposer shall indicate one point of contact for the resulting contract.

VI. PROPOSAL INSTRUCTIONS

A. Submission of Sealed Proposals

6 copies of the proposal shall be furnished to Metro in a sealed envelope, addressed to:

Metro Procurement Services
Attn: Sharon Stiffler RFP 12-2033
600 NE Grand Avenue
Portland, OR 97232-2736

Proposals can also be faxed or emailed to the following:

503-797-1791 Fax

sharon.stiffler@oregonmetro.gov

B. Deadline: Proposals will not be considered if received after the date and time indicated on the RFP cover page.

C. RFP as Basis for Proposals

This Request for Proposals represents the most definitive statement Metro will make concerning the information upon which Proposals are to be based. Any verbal information which is not addressed in this RFP will not be considered by Metro in evaluating the Proposal. All questions relating to this RFP should be addressed to Sharon Stiffler at sharon.stiffler@oregonmetro.gov. Any questions which, in the opinion of Metro, warrant a written reply or RFP amendment shall be furnished to all parties receiving this RFP. Metro will not respond to questions received after 3:00 pm on January 26, 2012.

D. Information Release

All Proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all Proposers agree to such activity and release Metro from all claims arising from such activity. In Accordance with Oregon Public Records Law (ORS 192), proposals submitted will be considered part of the public record, except to the extent they are exempted from disclosure.

E. Minority, Women and Emerging Small Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the Proposer's attention is directed to Metro Code provisions 2.04.100, which encourages the use of minority, women and emerging small businesses (MWESB) to the maximum extent practical. Copies of these MWESB requirements are available from the Metro Procurement Office, 600 NE Grand Avenue Portland, OR 97232, telephone # 503-797-1648.

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VII. PROPOSAL CONTENTS

The proposal should contain no more than 20 pages of written material (excluding biographies and brochures, which may be included in an appendix), describing the ability of the consultant to perform the work requested, as outlined below. The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content).

- A. Transmittal Letter: Indicate who will be assigned to the project, who will be project manager, and that the proposal will be valid for ninety (90) days.
- B. Approach/Project Work Plan: Describe how the work will be done within the given timeframe and budget. Include a proposed work plan, and schedule.
- C. Staffing/Project Manager Designation: Identify specific personnel assigned to major project tasks, their roles in relation to the work required, percent of their time on the project, and special qualifications they bring to the project. Include resumes of individuals proposed for this contract.

Metro intends to award this contract to a single firm to provide the services required. Proposals must identify a single person as project manager to work with Metro. The consultant must assure responsibility for any subconsultant work and shall be responsible for the day-to-day direction and internal management of the consultant effort.

- D. Experience: Indicate how your firm meets the experience requirements listed in section IV of this RFP. List projects conducted over the past five years which involved services similar to the services required here. For each of these other projects include the name of the customer contact person, his/her title, role on the project, and telephone number. In addition, identify persons on the proposed project team who worked on each of the other projects listed, and their respective roles.
- E. Cost/Budget:
Present the total proposed cost of the project and the proposed method of compensation. Include all fees, commissions, bonus payments, revenue sharing and other forms of compensation to be received by Consultant from this contract either directly or indirectly. Metro is willing to consider a flat consultant fee,, an internal plan fee, or a combination of the two, or other options proposed in the response, to offset the Consultant fee.
- F. Response requirements:
 - 1.) A brief history of Consultant, including history of performing this type of engagement and total revenue from deferred compensation consulting.
 - 2.) Ownership/structure of Consultant.
 - 3.) What are the total qualified plan assets under management of the plan sponsors you serve?
 - 4.) How many clients do you serve in each of the following plan asset categories?
 - Under \$5 million
 - \$5 million to \$15 million
 - \$15 million to \$30 million
 - Over \$30 million
 - 5.) Proposed client service team with related resumes and a summary of how they will be delivering services to our agency.
 - 6.) Does your firm or related firm also offer TPA services?
 - 7.) Is consultant affiliated or contracted with any specific investment service?

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- 8.) What criteria do you use for evaluating vendors?
- 9.) Description of proposed services and role as a co-fiduciary. Include discussion of the following:
- What distinguishes your consulting services from your competitors?
 - Describe your “consulting philosophy”.
 - Is your firm a registered investment advisor (RIA)? If so, does your ADVII provide written acceptance of your co-fiduciary status under ERISA.
 - If you are hired, will you acknowledge in writing that you have a fiduciary obligation as an investment advisor to the 401(k) and 457 while providing the consulting services we are seeking?
 - Do you consider yourself a fiduciary under ERISA with respect to the recommendations you provide to the 401(k) and 457?
 - Please describe the procedures your firm employs in recommending new or additional mutual funds, including software and research tools. If a fund is specifically placed on a watch list, do you recommend that the retirement 401(k) and 457 committee notify employees?
 - What is your basis for recommending removal of a mutual fund from the 401(k) and 457 and your recommended communication tools to employees regarding removal?
 - Describe your due diligence process.
 - How timely after a reporting period is a performance report available? Describe the content and format of performance reports. Please include a sample report.
 - Are your investment materials reviewed by FINRA? Is a copy of FINRA’s opinion letter available for our review?
 - Have your investment materials been reviewed by an outside legal counsel for compliance with ERISA?
- 10.) A detailed timeline for the services to be provided in a sample year. This should include a description of deliverables and when they will be received.
- 11.) Please describe your Error and Omissions insurance coverage, including the following:
- Coverage per occurrence
 - Aggregate annual coverage
 - Defense/ancillary costs covered
 - How many representatives are covered under this policy
- 12.) A list of 4 client references, current (2) and former (2) clients. Preferably agencies similar in scope and size to Metro.
- 13.) Within the last 5 years, has your firm in any capacity been a party to any litigation directly or indirectly related to the conduct of your business, or retirement plans in general?
- 14.) Any special terms or conditions requested/required by the Consultant.
- 15.) Description of any additional services the Consultant would like to propose to expand scope of work or supplement services requested.

G: Diversity in Employment and Contracting:

- **Work Force Diversity** – Describe your work force demographics (number of employees, race and gender) and the measurable steps taken to ensure a diverse work force, including company policies and practices that promote the hiring and retention of women and ethnic minorities.
- **Diversity in Contracting** – Describe your history of working with diverse firms, including any MWESB-certified firms. Describe a project for which you worked with minorities, women or emerging small businesses. Please provide the project name, method used to achieve participation – for example, joint ventures, subcontracts or purchase of equipment or supplies from a certified firm – and the dollar amount or percentage of the project budget expended on such participation.
- **Diversity of Firm** – Describe the ownership of your firm and whether or not your firm is certified by the State of Oregon as an MBE, WBE or ESB. Provide certification number, if applicable.

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- H. Exceptions to Standard Agreement and RFP: **Carefully review the Standard Agreement attached hereto as Exhibit A and incorporated herein.** This is the standard agreement that successful respondents to this RFP will be required to execute. RFP respondents wishing to propose any exceptions or alternative clauses to the agreement or to any specified criteria within this RFP must propose those exceptions or alternative clauses in their Proposal; Metro shall not be required to consider contract revisions proposed during contract negotiation and award. Proposed exceptions or alternative clauses should be accompanied by explanatory comments that are succinct, thorough and clear.

VIII. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. Limitation and Award: This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request, negotiate with all qualified sources, and/or cancel all or part of this RFP.
- B. Billing Procedures: Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. Contractor's invoices shall include an itemized statement of the work done during the billing period, and will not be submitted more frequently than once a month. Payment shall be made by Metro on a net thirty (30) day basis upon approval of Contractor invoice.
- C. Validity Period and Authority: The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.
- D. Conflict of Interest. A Proposer filing a proposal thereby certifies that no officer, agent, or employee of Metro or Metro has a pecuniary interest in this proposal or has participated in contract negotiations on behalf of Metro; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other Proposer for the same call for proposals; the Proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.
- E. Equal Employment and Nondiscrimination Clause Metro and its contractors will not discriminate against any person(s), employee or applicant for employment based on race, color, religion, sex, national origin, age, marital status, familial status, gender identity, sexual orientation, disability for which a reasonable accommodation can be made, or any other status protected by law. Metro fully complies with Title VI of the Civil Rights Act of 1964 and related statutes and regulations in all programs and activities. For more information, or to obtain a Title VI Complaint Form, see www.oregonmetro.gov.

IX. EVALUATION OF PROPOSALS

- A. Evaluation Procedure: Proposals received that conform to the proposal instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. Interviews may be requested prior to final selection of firm(s). Award will be made to the highest ranked Proposer according to the evaluation criteria. If contract negotiations are unsuccessful with the highest ranked firm, Metro reserves the right to enter into negotiations with the next highest ranked Proposer.

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- B. Evaluation Criteria: This section provides a description of the criteria which will be used in the evaluation of the proposals submitted to accomplish the work defined in the RFP.

Project Work Plan/Approach	Percentage of Total Score
1) The ability of Consultant to understand and best meet Metro's needs based on the understanding and engagement demonstrated in the Consultants	15%
2) Performance methodology	15%

Project Staffing Experience	
1) Extent of relevant experience and /or expertise	15%
2) Feedback from References	10%

Budget/Cost Proposal	
1) Projected cost/benefit of proposed work plan/approach (fees)	15%
2) Consultant's proposed fiduciary role	15%

Diversity	
1) Work Force Diversity	5%
2) Diversity in Contracting	5%
3) Diversity of Firm	5%
	100%

Exhibit A

NOTICE TO ALL PROPOSERS -- STANDARD AGREEMENT

The below agreement included herein reflects preliminary, draft contract language and selected, proposed contract terms for this procurement. Proposers should be aware that such language terms and provisions are for illustrative purposes only and that Metro reserves the right, following submission and ranking of all proposals submitted in response to this procurement, to amend, modify or negotiate over any and all such contract language, terms and provisions regarding the agreement arising from this procurement. By submitting a proposal in response to this procurement, proposers acknowledge that they are aware of and do not object to any later, potential amendment and modification of such preliminary, draft language and terms. In addition, by responding to this procurement, proposers acknowledge that they are aware of their ability to offer alternatives to any of the preliminary, draft contract language and proposed contract terms set forth herein.

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For Personal Services up to \$50,000

Metro Contract No. XXXXXX

THIS AGREEMENT is between Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 N.E. Grand Avenue, Portland, OR 97232-2736, and Company Name, referred to herein as "Contractor," located at address, City, State Zip.

In exchange for the promises and other consideration set forth below, the parties agree as follows:

1. Duration. This personal services agreement shall be effective Month XX, 201X and shall remain in effect until and including Month XX, 201X, unless terminated or extended as provided in this Agreement. IF CONTRACT IS SUBJECT TO RENEWAL OR EXTENSION, INCLUDE SUCH LANGUAGE i.e. This agreement may be renewed or extended for XX additional one-year periods at Metro's sole discretion.
2. Scope of Work. Contractor shall provide all services and materials specified in the attached "Attachment A -- Scope of Work," which is incorporated into this Agreement by reference. All services and materials shall be provided by Contractor in accordance with the Scope of Work, in a competent and professional manner. To the extent that the Scope of Work contains additional contract provisions or waives any provision in the body of this Agreement, the Scope of Work shall control.
3. Payment. Metro shall pay Contractor for services performed and materials delivered in the amount(s), manner and at the time(s) specified in the Scope of Work for a maximum sum not to exceed \$50,000. Payment shall be made by Metro on a Net 30 day basis upon approval of Contractor invoice.
4. Insurance. Contractor shall purchase and maintain, at the Contractor's expense, the following types of insurance covering the Contractor, its employees, and agents:
 - (a) The most recently approved ISO (Insurance Services Office) Commercial General Liability policy, or its equivalent, written on an occurrence basis, with limits not less than \$1,000,000 per occurrence and \$1,000,000 aggregate. The policy will include coverage for bodily injury, property damage, personal injury, contractual liability, premises and products/completed operations. Contractor's coverage will be primary as respects Metro;
 - (b) Automobile insurance with coverage for bodily injury and property damage and with limits not less than minimum of \$1,000,000 per occurrence;
 - (c) Workers' Compensation insurance meeting Oregon statutory requirements including Employer's Liability with limits not less than \$500,000 per accident or disease; and
 - (d) Professional Liability Insurance, with limits of not less than \$5,000,000 per occurrence, covering personal injury and property damage arising from errors, omissions or malpractice.

Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS on Commercial General Liability and Automobile policies.

Contractor shall provide to Metro 30 days notice of any material change or policy cancellation.

Contractor shall provide Metro with a Certificate of Insurance complying with this article upon return of the Contractor signed agreement to Metro.

5. Indemnification. Contractor shall indemnify and hold Metro, its agents, employees and elected officials harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, including Contractor's fiduciary responsibilities to Metro, any patent infringement or copyright claims arising out of the use of Contractor's designs or other materials by Metro, and/or any claims or disputes involving subcontractors.
6. Maintenance of Records. Contractor shall maintain all of its records relating to the Scope of Work on a generally recognized accounting basis and allow Metro the opportunity to inspect and/or copy such records at a convenient place during normal business hours. All required records shall be maintained by Contractor for six years after Metro makes final payment and all other pending matters are closed.
7. Ownership of Documents. All documents of any nature including, but not limited to, reports, drawings, works of art and photographs, produced by Contractor pursuant to this Agreement are the property of Metro, and it is agreed by the

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parties that such documents are works made for hire. Contractor hereby conveys, transfers, and grants to Metro all rights of reproduction and the copyright to all such documents.

8. Project Information. Contractor shall share all project information and fully cooperate with Metro, informing Metro of all aspects of the project including actual or potential problems or defects. Contractor shall abstain from releasing any information or project news without the prior and specific written approval of Metro.

9. Independent Contractor Status. Contractor shall be an independent contractor for all purposes and shall be entitled only to the compensation provided for in this Agreement. Under no circumstances shall Contractor be considered an employee of Metro. Contractor shall provide all tools or equipment necessary to carry out this Agreement, and shall exercise complete control in achieving the results specified in the Scope of Work. Contractor is solely responsible for its performance under this Agreement and the quality of its work; for obtaining and maintaining all licenses and certifications necessary to carry out this Agreement; for payment of any fees, taxes, royalties, or other expenses necessary to complete the work except as otherwise specified in the Scope of Work; and for meeting all other requirements of law in carrying out this Agreement. Contractor shall identify and certify tax status and identification number through execution of IRS form W-9 prior to submitting any request for payment to Metro.

10. Right to Withhold Payments. Metro shall have the right to withhold from payments due to Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage, or claim which may result from Contractor's performance or failure to perform under this Agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors.

11. State and Federal Law Constraints. Both parties shall comply with the public contracting provisions of ORS chapters 279A, 279B and 279C and the recycling provisions of ORS 279B.025 to the extent those provisions apply to this Agreement. All such provisions required to be included in this Agreement are incorporated herein by reference. Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations including those of the Americans with Disabilities Act.

12. Situs. The situs of this Agreement is Portland, Oregon. Any litigation over this agreement shall be governed by the laws of the State of Oregon and shall be conducted in the Circuit Court of the state of Oregon for Multnomah County, or, if jurisdiction is proper, in the U.S. District Court for the District of Oregon.

13. Assignment. This Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstance, be assigned or transferred by either party without Metro's written consent.

14. Termination. This Agreement may be terminated by mutual consent of the parties. In addition, Metro may terminate this Agreement by giving Contractor seven (7) days prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Termination shall not excuse payment for expenses properly incurred prior to notice of termination, but neither party shall be liable for indirect or consequential damages arising from termination under this section.

15. No Waiver of Claims. The failure to enforce any provision of this Agreement shall not constitute a waiver by Metro of that or any other provision.

16. Modification. Notwithstanding and succeeding any and all prior agreement(s) or practice(s), this Agreement constitutes the entire Agreement between the parties, and may only be expressly modified in writing(s), signed by both parties.

CONTRACTOR

By _____

Print Name _____

Date _____

METRO

By _____

Print Name _____

Date _____



600 NE Grand Ave.
Portland, OR 97232-2736
503-797-1700

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Metro Contract No. XXXXXX

1. Purpose and Goal of Work

2. Description of the Scope of Work

3. Deliverables/Outcomes

4. Payment and Billing

Contractor shall perform the above work for a maximum price not to exceed XXXXXXXX AND XX/100TH DOLLARS (\$XXXXXX.XX).

INCLUDE HOURLY RATES OR TASK BASED PAYMENTS IF APPLICABLE

The maximum price includes all fees, costs and expenses of whatever nature. Each of Metro's payments to Contractor shall equal the percentage of the work Contractor accomplished during the billing period. Contractor's billing invoices will include an itemized statement of work done and expenses incurred during the billing period, will not be submitted more frequently than once a month, and will be sent to Metro, Attention: Accounts Payable, 600 NE Grand Avenue, Portland, OR 97232-2736. Payment shall be made by Metro on a Net 30 day basis upon approval of Contractor invoice.