



**CITY OF ROCKVILLE**  
Procurement Division  
111 Maryland Avenue  
Rockville, Maryland 20850-2364  
Phone 240-314-8430 Fax 240-314-8439

**ADDENDUM 1**

**DATE:** January 8, 2019

**REFERENCE:** City of Rockville  
Request for Proposal:

**RFP 43-18**  
**Deferred Compensation and Defined Benefit Pension Plan**  
**Services**

**Scheduled Submittal Deadline:** **Wednesday, January 23, 2019 at 2:00 P.M. (EST)**

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**Questions & Answers**

1. Please provide a breakdown of the ~\$75.0M in the DB Pension Plan which is transferrable; fixed versus variable assets.

**A recent investment review is included on the website provided and was included as a link within the RFP:**  
<http://www.rockvillemd.gov/index.aspx?nid=1229>

**At least \$25 million must remain with Principal. The real estate asset are liquid quarterly.**

2. Please provide plan documents for your DB Pension, 401(a) & 457 plans.

**The DB Pension plan document is on the website provided and was included as a link within the RFP:**  
<http://www.rockvillemd.gov/index.aspx?nid=1229>

**The 401(a) & 457 plan documents are available on the City's websites provided below:**

**Addendum 1- Attachment A: Mass Mutual 457 Plan Document:**  
<http://www.rockvillemd.gov/bids.aspx>

**401(a) Plan Document (See Article XV, page 51 within the document):**  
<http://www.rockvillemd.gov/index.aspx?nid=1229>

3. Is there a managed account service currently offered in any of the Plans?

**Yes, managed accounts is offered in both the 401(a) and 457. There is only a single individual in managed accounts with \$129,940 in the 401(a) and \$9,252 in the 457.**

4. How many education group meetings and one-on-one sessions were conducted in 2017 by your 401a/457 and DB Pension Plan record keepers?

**Please provide your best response for providing onsite servicing to all three plans.**

5. What is the total number of participants in the DB Pension plan? How many are in pay-out status?

**Union Employees: 101**



40-49						
50-59						
60-69						
70>						
Total						

**All of the information requested is not readily available. The available data has been provided in the chart below:**

<b>Age</b>	<b>401(a) Assets</b>	<b>457 Assets</b>	<b>Total Assets</b>
<30	\$ 23,403	\$ 90	\$ 23,493
30 – 39	\$ 323,702	\$ 25,344	\$ 349,046
40 – 49	\$ 678,559	\$ 103,845	\$ 782,404
50 – 59	\$ 2,979,580	\$ 1,914,483	\$ 4,894,063
>60	\$ 1,932,007	\$ 4,857,248	\$ 6,789,255
<b>Total</b>	<b>\$ 5,937,251</b>	<b>\$ 6,901,010</b>	<b>\$12,838,261</b>

10. Do you have any foreign language needs? If so, what languages?

**No, while there are no specific foreign language needs, Spanish is a growing second language among participants.**

11. Are most materials delivered via paper or electronically?

**Most materials are delivered electronically, which is the preferred method.**

12. In Section D, Communication and Education, in the Field Service Representative Section – could you help us understand what support you have today and if you have a preference for the level of service? What works today and what would you like to change?

**Please provide your best response for providing onsite servicing to all three plans.**

13. Please confirm if there is one bi-weekly file that contains both the 401(a) and 457(b) information or if there are two separate bi-weekly files.

**These are two separate files and are expected to remain so. There is also a second file for the 401(a) that covers the Thrift Plan Supplement for department heads.**

**More information on the thrift supplement plan can be found within the document in Article XVI, page 54. The information may be obtained using the following link:**  
<http://www.rockvillemd.gov/index.aspx?nid=1229>

14. Can plan documents be shared at this time?

**Please see the response provided for question 2 of this addendum.**

15. What are the total assets, gross contributions and participant distributions for 2015 and 2016, by plan?

**This information is not available as the DC plans transitioned from ICMA and Prudential to MassMutual in the middle of 2016. 2017 information was provided in the RFP as the most accurate.**

16. The Plan demographic information for both the 401a and the 457b show “Fees (i.e., self-directed brokerage)” in the withdrawal sections but in the investment list provided on p32, there is no mention of self-directed brokerage accounts. Please confirm self-directed accounts are not offered in the plans. If they are, please provide the amounts outstanding in brokerage accounts and how the number of brokerage accounts for each plan?

**The fees listed for each Plan are the annual recordkeeping fees and any participant elected action (e.g. overnight check, set-up for installment payments, etc.).**

17. Is the SAGIC II fully liquid? What is the market/book ratio? What are the exit provisions? Are there multiple options for the plan sponsor to select? What is the current crediting rate?

**Liquidity – Two withdrawal methods are available at the Plan level:**

- 1. Lump sum with market value adjustment**
- 2. Annual installments at book value over an agreed to period not to exceed 10 years**

**MV/BV - As of close of business on 1/3/19, the MV/BV is 97.33%; market value is \$12,520,355 & book value is \$12,864,104.**

**Current crediting rate – 3.95% as of 1/2/19**

18. Should we assume the 35 inactive accounts with balances under \$5,000 will be removed from the plan prior to or at conversion? If so, what are the correlating assets?

**No, you should not assume that these balances will be closed out in the near future.**

19. The Fee section asks for per account pricing and there is a cell to respond for each of the 457(b) and 401(a) plans – can you confirm whether you prefer relationship pricing (i.e., same price for both plans based on the combined information) or standalone pricing per plan?

**There is no preference. You should determine your pricing based on the scope of work for each Plan. The charts are intended to allow you flexibility.**

20. Please provide a recent trust report with funds, tickers, cusips and asset totals.

<b>Fund Name</b>	<b>Ticker/CUSIP</b>	<b>Vehicle Type</b>	<b>Asset Totals as of 11/30/18</b>
Blackrock Strategic Income Opportunities	N/A	CIT	\$ 10,312,880
Invesco Balanced Risk Allocation	N/A	Commingled	\$ 10,715,222
State Street Small-Cap Equity	SIVIX	Mutual Fund	\$ 11,613,958
PGIM Fixed Income (Short Term)	N/A	Separate Account	\$ 1,419,133
PGIM Real Estate	N/A	Commingled	\$ 14,231,188
Principal Global S&P 500 Index	NX070	Separate Account	\$ 18,764,164
Principal Global Diversified International Equity	IS070	Separate Account	\$ 17,271,050
Principal Global Principal Bond Index- Mellon	PBX67	Separate Account	\$ 9,416,905
Principal Global Diversified Real Asset	PDRDX	Mutual Fund	\$ 7,441,466

**The separate accounts are insurance company separate accounts.**

21. From the last time the DB plan was out to bid, the \$25M in assets not available to move were in a benefit Index Option and covered a closed group of all retirees. Both the assets and record-keeping of the retirees were to remain at Principal. Can you confirm if we should have the same understanding for this RFP response?

**Yes, your understanding should be the same. The \$25 million will remain with Principal.**

22. Can you confirm the total participants and breakdown of that total by active/term vested/retiree that will be moving to the new record-keeper?

**Union Employees: 101  
Administrative/Police: 404  
Terminated Vested: 54  
Terminated Non-vested: 11  
Retirees with Prudential: 214**

**40 participants are in the insurance contract with Principal, which would not impact your response to this RFP.**

23. Can you confirm that Actuarial services are not part of this RFP? Along those lines, can you confirm there are no Post Retiree Medical plan actuarial services as part of this RFP?

**Confirmed. Actuarial services of any type are not part of this RFP.**

24. Will the City accept proposals from firms that do not meet all of the minimum requirements given this language in the RFP document: "For each minimum qualification, you should provide an explanation of how you either meet or do not meet the requirement."?

**Yes, the City will accept proposals and evaluate them on what is submitted.**

25. Are there any restrictions on the assets coming over?

**No, aside from the Plan level liquidity restrictions on the SAGIC, there are no additional restrictions.**

26. How much on-site support does the City currently receive? How many days would be preferred?

**Please provide your best response for providing onsite servicing to all three plans.**

27. How many unique participants are there between the 457 and 401(a) plans?

**There are 203 participants with balances in each Plan. 384 unique participants in the 401(a) and 99 in the 457.**

28. What are the active, retired, and terminated participant counts for the DB plan?

**Union Employees: 101  
Administrative/Police: 404  
Terminated Vested: 54  
Terminated Non-vested: 11  
Retirees with Prudential: 214**

**40 participants are in the insurance contract with Principal, which would not impact your response to this RFP.**

29. Will the DB plan require actuarial services?

**Not as part of this RFP.**

Please sign below to acknowledge receipt of addendum and return with your proposal.

Sincerely,

Jessica J. Lewis, CPPO, CPPB, MBA  
Director of Procurement

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date