

SOLICITATION NUMBER: ARFP STO2400000003
Addendum Number: 01

The purpose of this addendum is to modify the solicitation identified as ARFP STO2400000003 (“Solicitation”) to reflect the change(s) identified and described below.

Applicable Addendum Category:

- Modify bid opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

ADDENDUM ACKNOWLEDGEMENT FORM

SOLICITATION NO.: _____

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:
(Check the box next to each addendum received)

- | | |
|---|--|
| <input type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Company

Authorized Signature

Date

NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.

ADDENDUM #01
SOLICITATION# ARFP STO240000003
457b Plan Recordkeeper Administrator

Question 1: How is annual cost of living increase calculated for the administrative funding account?

Answer 1: 2% per year.

Question 2: Would the STO agree to limit consent of subcontractors to those that Empower engages solely and uniquely to perform services for the State?

Answer 2: Yes, but the STO would like to know what subcontractors will be affiliated with the plan and a notice of any changes beforehand.

Question 3: Due to the confidential nature of our SOC reports and the sensitive information contained within the reports, we do not share printed versions of the reports publicly. Would the STO accept a secure link to our SOC reports? Alternatively would you accept the reports under separate cover marked confidential?

Answer 3: Yes, STO would accept a secure link to your SOC report or the report under separate cover marked confidential.

Question 4: Are the Political Subdivisions governed under the same plan documents and features as the State? Meaning, can Political Subdivisions pick and choose or customize from the State Plan options to provide to their employees? Other than communications regarding payroll, enrollments and contribution changes are their other reporting needs specific to the Political Subdivisions?

Answer 4: Yes, Political Subdivisions are governed by state plan documents and features. Political Subdivisions do not deviate from the state plan. There are no separate reporting needs for political subdivisions beyond payroll enrollments, and contribution changes.

Question 5: Can you please provide a copy of the custom wvOASIS remittance file?

Answer 5: Please refer to Exhibit E WVOASIS Remittance Retirement Deduction

Question 6: Can you please provide the % or number of participants receiving quarterly statements electronically?

Answer 6: 43.57% of participants are receiving quarterly statements electronically.

Question 7: Can the State please provide the cost-of-living adjustment % or approach it uses today to increase its administrative funding? Or if following an index, can you please confirm the source of the index?

Answer 7: The Plan charges .07% on all variable assets currently and retains the revenue share accumulating to approximate \$320,000 a year. The plan is attempting to fee level across the plan and is keeping all options open. The Plan would need to retain the \$320,000 with 2% cost-of-living adjustment going forward.

Question 8: Please provide a copy of the “Incident Response Accountability Acknowledgement” document referenced within the State of West Virginia Confidentiality Policies and Information Security Accountability Requirements link.

Answer 8: <https://www.state.wv.us/admin/purchase/privacy/NoticeConfidentiality.pdf>

Question 9: Please provide a list of the current variable investment options, including CUSIPs for each investment listed on Exhibit C of the RFP Document.

Answer 9: Please see Exhibit F – 98947-01 Performance IOAG

Question 10: Please confirm annual number of service days as well as number of group and individual meetings conducted in the past 3 years by your current retirement plan representatives. Of the meetings held, what number or percentage were in-person vs. virtual?

Answer 10:

- 2021 Group - 53 Individual – 992
- 2022 Group – 140 Individual – 1227
- 2023 Group – 79 Individual - 969

-An estimated 10% of the Group meetings were virtual. Individual sessions include in-person, phone, and virtual. We do not have the breakdown by type. During 2023 we only had one representative for six months due to a resignation and the time it took to replace and train the new representative.

Question 11: The RFP indicates that the 2 current Empower retirement plan advisor representatives are “dedicated” to STO participants. Please confirm whether “dedicated” is intended to mean that the current advisor representatives are required to only serve STO 457 plan and participants exclusively and no other plans administered by Empower (or a successor provider).

Answer 11: The two plan advisors are required only to serve STO 457 plan and participants exclusively and no other plans administered by successful provider unless otherwise authorized by the STO.

Question 12: It is unclear from the RFP exactly how the transfer/termination provisions of the Guaranteed Interest Fund work – the document states that the market value adjustment may be a- paid in lump sum w/ MVA; b- paid at book value with a 1 or 3 year put that is “currently 1 year”; or c- paid at book value over 20 quarters. Please confirm the date that the \$7.4 million MVA was calculated and whether a more recent one may be disclosed and more fully describe with option “b” under what circumstances is it determined whether the put is 1 year or 3? Are there any other transfer restrictions or penalties applicable if the STO chooses to move to another provider? Has a put notice been initiated?

Answer 12: The MVA quote was as of Feb 27, 2024. Empower has re-calculated the MVA as of May 29, 2024, to \$5.79 million. Question 35 addresses the circumstances regarding the 36-month put. A put notice has not been initiated.

Question 13: Can you provide the “cost-of-living” measure that is applied to increase the annual fixed allowance?

Answer 13: 2% per year.

Question 14: Can you share the recordkeeping/administrative fee currently charged by the current provider?

Answer 14: .23% on variable assets.

Question 15: To memorialize the recordkeeping services arrangement, the vendor requires the parties to enter into its Recordkeeping Services Agreement (RKSA). Does STO agree that the terms of the RKSA, as negotiated by the parties in connection with this solicitation (“Negotiated RKSA”), shall exclusively govern the final arrangement? Alternatively, does STO agree that (i) to the extent the terms in the Negotiated RKSA and in the General Terms and Conditions (“GTC”) cover the same subject matter, the terms of the Negotiated RKSA shall control, and (ii) in its RFP response, the vendor can identify other exceptions to the GTC terms that are not otherwise included in its RKSA template?

Answer 15: The STO cannot agree at this time regarding order of precedence for any additional required Vendor documentation without the opportunity to review. Generally, the STO terms and conditions will always control. The Vendor should indicate any terms and conditions for which they would have exceptions for the STO to review and determine whether those can be allowed based on state law, rules, and regulations.

Question 16: Please confirm there is no mandatory pre-bid meeting for this RFP.

Answer 16: There is NOT a mandatory pre-bid meeting (see *Instructions to Vendors* document, item 3).

Question 17: Please confirm if we can upload our response into WVOasis (respond online) in lieu of hard copies/USB? Or, are hard copies and USB required?

Answer 17: wvOASIS does not permit responses to RFP type solicitations at this time, as stated in the *Instructions to Vendors* document, item 6. It is preferred that Vendor responses be in physical/hard copy form, including having an exact duplicate of the response on USB flash drive, DVD, etc. Alternatively, in lieu of such a device, Vendor may email an exact copy of its original technical portion to the designated buyer. Cost may also be submitted by email; see Section 5.4 of the Specifications.

If a Vendor submits a response by electronic (or by fax) means, the following guidance is provided.

- Email: Vendors may elect to provide a solicitation response by email, but each email submission is limited to 25mb. If multiple submissions are needed to complete the full response, vendor should include in the subject line, Response ARFP STO2400000003 and indicate Part 1 of 2, Part 2 of 2, etc. Send to BidsWVTreasury@wvsto.com . The Cost portion is to be submitted separately from the Technical email submission portion(s).
- Fax Number: 304-340-1518. Vendor must ensure that the full response/packet transmission is 100% completed to meet the deadline/due date and time.
- **Note:** the designated Buyer will only inform a vendor that an email or fax response has been received upon request. However, they will not review or provide further information as to its content or completeness. Additionally, the submission file(s) must not require passwords to open, search, etc.

Question 18: Do we need to register with the West Virginia Purchasing Division and pay the \$125 registration fee prior to RFP submission, or only if we are the successful Vendor?

Answer 18: Vendors do not need to register to submit a response to a solicitation. It is correct that upon notice of an intent to award, the successful Vendor will need to register with the WV Purchasing Division, and any other entities requiring a business registration for doing business with or in the State of West Virginia.

Question 19: Do we need to include our business registrations for doing business with / in the state of WV with the RFP submission, or only if we are the successful Vendor?

Answer 19: Only upon intent to award. Please see the response to Question 18.

Question 20: Do we need to include proof of requested insurance coverages with the RFP submissions, or only if we are the successful Vendor?

Answer 20: Upon a notice of intent to award, insurance coverages and other documents required to be a part of the contract award will be requested.

Question 21: Regarding #31 of the Terms and Conditions – Please provide us with STO’s policies, procedures and rules to determine whether they cover disclosures to our plan-related service providers.

Answer 21: The RFP solicitation provides guidance to this question throughout the entire solicitation which Vendor should consult. Vendor should take note of paragraph 22 of the *STO General Terms and Conditions* as included as part of the solicitation. For reference, this paragraph is produced below:

22. COMPLIANCE WITH LAWS: Vendor shall comply with all applicable federal, state, and local laws, regulations and ordinances. By submitting a bid, Vendor acknowledges that it has reviewed, understands, and will comply with all applicable laws, regulations, and ordinances.

SUBCONTRACTOR COMPLIANCE: Vendor shall notify all subcontractors providing commodities or services related to this Contract that as subcontractors, they too are required to comply with all applicable laws, regulations, and ordinances. Notification under this provision must occur prior to the performance of any work under the contract by the subcontractor.

Question 22: If a political subdivision decides to offer their own matching plan, would the plan be a separate and distinct legal plan from the 457(b) plan?

Answer 22: No, the political subdivision would stay under the umbrella of WV Retirement Plus. We do have political subdivisions who offer their own match within the existing WV Retirement Plus 457(b) Plan.

Question 23: Is Subsection 4.3.4 of Attachment A: Vendor Response Sheet requesting that we attach resumes with our response? If so, are Service Team biographies acceptable in lieu of Service Team resumes?

Answer 23: Yes

Question 24: Are we to respond to the questions that start on .pdf page 25, or the questions in Attachment A: Vendor Response Sheet? They seem to be duplicates.

Answer 24: We are unable to determine the reference to a page 25. Attachment A: Vendor Response Sheet is the document we expect Vendors to use in responding to the solicitation. It contains the same information as listed in the referenced Specifications portion of the document.

Question 25: Please clarify if the *italicized paragraph* in Section 4.3 (Qualification & Experience) of Attachment A: Vendor Response Sheet is a question we need to respond to, or if the italicized paragraph is instructions?

Answer 25: The italicized paragraph is instructions for responding to Section 4.3 on Attachment A.

Question 26: Please advise what you mean by “infrastructure and application” in Section 4, Subsection 4.5.16 of the Mandatory Specification Checklist.

Answer 26: The service level requirement (SLR) of 99.95% (calculated monthly) is to ensure availability of your public-facing software-as-a-service (SaaS) platform. The SaaS platform is defined as your cloud-based platform that provides individuals access to their accounts over the internet. The infrastructure that supports the availability of the platform is also subject to this mandatory service level requirement.

Question 27: Please provide the current investment lineup with assets/tickers/CUSIP (preferably in Excel).

Answer 27: Please see Exhibit I – Investments 5-24-2024.

Question 28: TIAA typically works off a SPARK data layout. With that in mind, please provide a sample remittance file detailing the format of the standard requirements of WVOASIS.

Answer 28: Please see Exhibit E - WVOASIS Remittance Retirement Deduction

Question 29: Can you provide more detail regarding the Mandatory Requirement 4.5.21 where you say: “Administrative funding is \$320,000 per year, increased annually with a cost-of-living adjustment.”

Answer 29: The Plan currently charges .07% on all variable assets and retains the revenue share accumulating to approximate \$320,000 a year. The plan is attempting to fee level across the plan and is keeping all options open. The Plan would need to retain the \$320,000 with 2% cost-of-living adjustment annually.

Question 30: Regarding Letter “m” on Attachment C: Cost Sheet - How is the administrative funding component being accounted for today in your current fee structure? Are there any issues with your recordkeeper administering this component?

Answer 30: The Plan charges .07% on all variable assets and retains the revenue share accumulating to approximate \$320,000 a year. There are not any issues with our current recordkeeper administering the current fee structure. We are willing to look at option when leveling participant fees across the plan.

Question 31: Please confirm that a pre-bid meeting will not be held for this solicitation.

Answer 31: There is NOT a pre-bid meeting for this solicitation.

Question 32: Section 6. BID SUBMISSION states “Submission of a response to a Request for Proposal is not currently permitted in wvOASIS”, however, Section 16. ELECTRONIC FILE ACCESS RESTRICTIONS, states “ Vendor must ensure that its submission in wvOASIS can be accessed and viewed by the STO Purchasing Division staff immediately upon bid opening”. Please confirm how the STO would like our bid submission received.

Answer 32: Please see response to Question 17.

Question 33: Can you please provide a copy of the plans adoption agreements?

Answer 33: Please see Exhibit G - WV Retirement Plus Adoption Agreement Template

Question 34: With regard to Attachment C: Cost Sheet, please clarify if there is a difference between the Managed Account Proposed Fee in question 1 and the fees associated with the advice and managed account services in question 2(h).

Answer 34: The managed account fee in question 1 and the first portion of 2(h) should be the same. The second portion of 2(h) is asking if there are any fee break points based on the amount of assets.

Question 35: What are the Stable Value funds exit provisions?

Answer 35: 1. Receive the payout of the fund in a lump sum with a market value adjustment.

*2. Receive the payout of the fund in a lump sum at book value.

*3. Receive the payout of the fund in 20 quarterly book value installments.

* If option 2 is selected, GWL&A may defer payment to a future date, but no longer than 12 or 36 months depending on market conditions. The plan sponsor may also elect to receive payment in 20 quarterly installments.

A 12-month put will apply if on the date GWL&A receives notice of contract termination in good order, the average of the three-year and five-year Treasury Constant Maturity rates is less than 300 Basis points above the lowest weekly average of the three-year and five-year Constant Maturity Treasuries over the previous 104 weeks from notice. GWL&A shall use published rates from the United States Federal Reserve website.

A 36-month put will apply if on the date GWL&A receives contract termination notification in good order, the average three-year and five-year Treasury Constant Maturity rates is 300 basis points or more above the lowest weekly average of the three-year and five-year Constant Maturity Treasuries over the previous 104 weeks from notice. GWL&A shall use published rates from the United States Federal Reserve website.

Question 36: If the Stable Value fund has a 12 month put provision, has the put notification been submitted? If so, on what date?

Answer 36: Put notice has not been initiated.

Question 37: Is the contract fully benefit responsive during the exit provision period?

Answer 37: The contract allows for participant disbursements during the put, however it does NOT allow for any participant transfers during the 12-month put period.

Question 38: What is the Stable Value funds market/book ratio?

Answer 38: As of 05/29/2024 the MVA would be \$5.79M.

Question 39: Please provide a minimum of five years of the Stable Value fund cash flow history, including contributions, withdrawals, transfers in and transfers out. Example below:

	<u>Contributions</u>	<u>Withdrawals</u>	<u>Transfers In</u>	<u>Transfers Out*</u>	<u>Total</u>
2019					0.00
2020					0.00
2021					0.00
2022					0.00
2023					0.00

Answer 39:

	<u>Contributions</u>	<u>Withdrawals</u>	<u>Transfers In</u>	<u>Transfers Out*</u>	<u>Total</u>
2019	3,466,966	(4,137,296)	3,795,854	(3,583,068)	457,205
2020	4,043,428	(3,966,640)	7,637,928	(5,482,964)	2,231,752
2021	2,999,360	(4,421,900)	6,022,407	(3,486,382)	1,113,485
2022	3,585,183	(6,487,479)	4,856,129	(2,428,744)	474,911
2023	4,333,059	(6,890,686)	2,082,255	(4,541,566)	5,017,938

Question 40: Please provide the Stable Value funds year-end balance for the last 5 years.

Answer 40:

2019	\$68,087,822
2020	\$72,143,208
2021	\$74,906,627
2022	\$75,891,502
2023	\$71,995,774

Question 41: Please provide the asset demographic data for the Stable Value fund broken down by ages (10 year increments, if possible) as well as by active versus inactive (terminated/retired employees). Example below:

Age Range	# of Active Participants	# of Inactive Participants	Total # Participants	\$ Stable Value Balance Active Participants	\$ Stable Value Balance In-Active Participants	Total \$ Balance
<30			0			\$ -
30 - 39			0			\$ -
40 - 49			0			\$ -
50 - 59			0			\$ -
60 - 69			0			\$ -
70 >			0			\$ -
Total	0	0	0	\$ -	\$ -	\$ -

Answer 41: Given time constraints we could not provide the requested date. Please see Exhibit H - Balance by Age 3-31-2024. The breakdown of balances by age and asset class will provide most of the information requested.