

**SOLICITATION NUMBER: ARFP STO2300000001**

**Addendum Number: 01**

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The purpose of this addendum is to modify the solicitation identified as ARFP STO2300000001 (“Solicitation”) to reflect the change(s) identified and described below.

**Applicable Addendum Category:**

- Modify bid opening date and time (\*See Below\* if applicable)
- 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.: ARFP STO230000001**

**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 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 - ARFP STO2300000001**

### **Vendor Questions & Agency Responses**

1. Can you please advise how many full-time employees are dedicated to working on the West Virginia Retirement Plus Plan investments?

**Answer 1:** We currently have two full-time employees from the WV State Treasurer's office dedicated to the plan; we hope to add a third employee in the near future. Empower has two dedicated Retirement Plan Advisors.

2. We understand that the hired consultant is expected to attend two onsite meetings annually in Charleston and other meetings that are anticipated to be virtual. Are these onsite and virtual meeting dates for 2023 available? If so, can you please provide them?

**Answer 2:** We expect the hired consultant to attend two onsite meetings at our office in Charleston, WV. Our quarterly meetings are generally held in the middle of the month during the months of March, May, August, and November. We do not yet know which two meetings will be in-person and which two meetings will be virtual, as that is dependent on the agenda and staff schedules.

3. How many manager searches have been conducted each year, over the last 3 years?

**Answer 3:** Two (2)

4. Is your current investment consultant invited to rebid?

**Answer 4:** Yes

5. When was the last time you conducted a target date fund review, fee benchmarking review, and/or an investment menu review?

**Answer 5:** We did a target date fund review and stable value fund review in August of 2022.

The last time a full fund review and/or fee benchmarking review occurred was in late 2019. We review the investment menu quarterly. We made changes to the investment menu in late 2020 and 2021.

6. The RFP makes reference to electronic submission of proposals via e-mail and also submission of paper copies. Will the e-mail submission suffice, or do you wish to also receive the printed copies?

**Answer 6:** Secured email submission will suffice if that is the method of submission/delivery chosen. No paper copies will be needed if email submission is used. **The guidelines for submitting responses via email are as follows:**

- Send to [BidsWVTreasury@wvsto.com](mailto:BidsWVTreasury@wvsto.com) and include in the subject line, *Response ARFP STO23\*001 Investment Consulting*.
  - Email is limited to 25mb per submission
  - Technical responses expected to exceed 25mb must be sent in multiple submissions, each with the designation, *Response ARFP STO23\*001* and indicate *Part 1 of 2, Part 2 of 2, etc.*
  - The Cost Sheet is to **be sent separately** from the Technical portion response and designate in the subject line, *Cost Response ARFP STO23\*001*.
  - The Technical and Cost responses must be received in their entirety by the Bid Closing/Due date and time established; there are no exceptions to this requirement.
  - **NOTE:** The designated Buyer will only inform a vendor that an email response has been received upon request, but they **will not** review or provide further information as to its content or completeness. Additionally, the submission file must not require passwords to open, search, etc.
7. Page 26 of the RFP describes 5 references being submitted and page 37 of the RFP describes 3 references being submitted. Can you confirm 3 references should be provided?

**Answer 7:** Three (3) references should be provided.

8. How is any revenue sharing generated by the investment lineup being treated currently? Is it credited back to participants or is it retained by the recordkeeper to offset plan fees?

**Answer 8:** All revenue is retained by the plan to pay the plan's recorded keeping costs, consultant fees, and plan expenses.

9. Can you please provide the most recent copy of the Empower Plan Report?

**Answer 9:** Due to the size and concern of email servers rejecting the attachment, the report will be posted under the solicitation header and related documents on the following page <https://www.wvsto.com/RFP-RFQ> .

10. Can you please provide the most recent copy of the Segal Plan Report? We have Q1 2022

**Answer 10:** Due to the size and concern of email servers rejecting the attachment, the report will be posted under the solicitation header and related documents on the following page <https://www.wvsto.com/RFP-RFQ> .

11. How many quarterly meetings in 2021 and thus far in 2022 have been in-person with your current Segal consultant?

**Answer 11:** We have not had an in-person meeting with Segal consultants in 2021 or 2022. Before COVID, all quarterly meetings were in person. In 2023, we will have two on-site meetings for continuity for the program. See also response to question 2.

12. What is the current fee charged by Segal?

**Answer 12:** \$42,000 annually

13. Do any members of the current Segal staff carry any professional designations such as the CFA or AIF?

**Answer 13:** Yes

14. Can you please clarify if the “acceptable delivery “of the technical proposal outlined in Section 5.4. would include a zip (compressed file) folder sent electronically via email in leu of a zip drive?

**Answer 14:** If a submission is sent electronically via email, a compressed file is acceptable so long as it does not require a password or any other restrictions in order for the Buyer to open, review, search and share with evaluation committee members. Firm/Vendor should allow sufficient time for email/electronic submissions to be completed.

15. Can you please define “zip drive” in Section 5.4 if this is one of the two acceptable technical proposal electronic delivery formats in leu of a flash drive.

**Answer 15:** If a submission is provided via paper/courier delivery, a flash drive/USB drive device would be requested to be included to allow for ease of searching, reviewing of proposal documents by the Buyer.

16. On RFP page 30, Section 4.5.2.15 identifies request for customized reports. Can you please provide description of examples of customized reports performed by incumbent consultant, and/or provide examples of what may be asked/expected of new consultant selected for contracting?

**Answer 16:** The detail is outlined below:

- Annual Asset Class Performance for the previous 12 years, as well as the current YTD each quarter
- Plan activity by investment option showing beginning quarterly balance, contributions, withdrawals, net transfers, fees, investment gain/losses, ending balance for the quarter and totals for each category
- For each investment options – assets at end of quarter, percentage of the total assets, number of participants in each option
- Asset Allocation at the end of the quarter using a pie chart with actual percentages showing for each versus the same breakdown for the beginning of the quarter pie chart
- Plan contributions by asset allocation end of the quarter using a pie chart with the actual percentages showing for each asset class versus the same breakdown for the previous quarter in pie chart format
- Average account balance history by quarter going back at least one year
- Participant Accounts at the end of the quarter, number of plan participants by year going back to 2006, total local government participants and number of local government entities at quarter end, summary of participation for the past one-year period by quarter which shows total number of plan participants, total contributions, participation

percentage, and number of new enrollments broken down by auto enrolled and Empower enrolled.

- Fixed Interest and Stable Value credited rate history
- Morningstar ratings for each investment option
- Investment fund lineup fee analysis with wrap showing the asset class, plan assets for the quarter, mutual fund expense ratio, revenue sharing, wrap fee, Empower fee plus revenue sharing by basis points, and Empower fee plus revenue sharing in dollars.
- Style box showing investment options
- Investment options on watch list, date put on watch list and action
- Investment option performance returns versus benchmark performance returns for the last quarter, YTD, 1, 3, and 5-year followed by a summary for each investment option

Please see our website for a sample report: Due to the size and concern of email servers rejecting the attachment, the report will be posted under the solicitation header and related documents on the following page <https://www.wvsto.com/RFP-RFQ>.

17. On RFP page 31, Section 5.1, it states a limit of 50 pages. Can you please clarify/confirm if this page limit applies exclusively to the technical submission of proposal response?

**Answer 17:** The technical submission is 50 pages; all material should be pertinent to the RFP.

18. Will it be acceptable to submit a sample quarterly report and/or reference material identified in technical response as an exhibit to our proposal submission and confirm that it would not count against the 50-page limit outlined in RFP Section 5.1.?

**Answer 18:** Yes it is acceptable, if it pertains to the RFP; please, no sales material.

19. How long has the current consultant Segal been providing services?

**Answer 19:** The current contract relationship began Jan. 1, 2018. Previous contract relationship covered the period of September 2006 through December 2017.

20. Is the current consultant allowed to bid and be considered for contracting in this RFP process?

**Answer 20:** Yes

21. What is the total dollar amount of fees paid to the current or previous consultant for the last two (2) years? Was it a fixed fee or is it percentage of assets?

**Answer 21:** It is a fixed fee for all basic services. The fee is \$42,000 annually; \$84,000 for the last two years.

22. Can you tell us why the RFP is being issued – is it renewal or other reasons? Please explain.

**Answer 22:** The current contract term is expiring.

23. It was noted in Section 4.2 that recordkeeper Empower's contract expires January 2023 with two one-year renewals. Can you identify which year of consultant contract would the selected advisor assist STO with issuing, evaluating and or benchmarking Recordkeepers during a separate RFP process?

**Answer 23:** We will begin the Recordkeepers RFP process in 2023, with an issue date for the solicitation of early 2024.

24. Should we include the price of our recordkeeper RFP related services as a one-time expense in the initial contract term and price it separately as a one-time project fee, or incorporate it in our multiyear base fee quote?

**Answer 24:** It should be incorporated as part of the multiyear base fee quote.

25. Can you please identify the total amount of plan assets in Empower Retirement Advisory Services, provided by Advised Assets Group, LLC, risk-based/managed account portfolios?

**Answer 25:** Due to the size and concern of email servers rejecting the attachment, the report will be posted under the solicitation header and related documents on the following page <https://www.wvsto.com/RFP-RFQ> . See page 7 of the Empower WV Q2 Plan Review 2022

26. Is there anything you would like the new consultant to do differently, improve and/or provide additional services?

**Answer 26:** No other work is anticipated beyond the scope included in this RFP. However, as written in section 4.5.3, if the firm wishes to list additional services that could augment and relate to the scope of the work, they are welcome to do so. Note: Pricing for such services should be listed on the Cost Sheet separately and identified as an Additional/Optional Services.

27. Can you please provide a copy of recordkeeper Empower's Administrative report from the most recent quarter and/or annual reporting period?

**Answer 27:** Please see attached copy Empower WV Q2 Plan Review 2022

28. Can you please provide a copy of your current investment consultant quarterly performance report for the 457(b) Plan so we can clearly understand your desired reporting expectations?

**Answer 28:** Due to the size and concern of email servers rejecting the attachment, the report will be posted under the solicitation header and related documents on the following page <https://www.wvsto.com/RFP-RFQ> .

29. Can you please provide us with the current market value of each fund option by ticker symbol? (Including Separate accounts and/or CITs) in the plan, (a) value for stable value fund and, (b) total assets invested in the TD brokerage window?

**Answer 29:** Due to the size and concern of email servers rejecting the attachment, the report will be posted under the solicitation header and related documents on the following page <https://www.wvsto.com/RFP-RFQ> .

30. Has STO conducted an in-depth target date fund review that meets regulatory standards? If yes, when was it last performed?

**Answer 30:** The last in-depth Target date fund review was late 2019 (see response to question 5)

31. Does your consultant currently provide the STO's committee fiduciary education/training programs?

**Answer 31:** Yes

1. If yes, how often does it occur (annually, quarterly, ad hoc)?

**Answer:** Annually

2. If no, what is the expectation under new contract?

N/A

32. Can you please disclose the names and title of the proposal evaluation committee?

**Answer 32:** No, not at this time.

33. Will the same proposal evaluation committee be responsible for ongoing plan oversight? If different, please indicate name/title of STO party or parties responsible for ongoing plan oversight.

**Answer 33:** Two of the committee members will; others will not but are a part of the Agency's staff in other capacities.

34. Is the meeting schedule for 2023 available? If so, can you please provide it?

**Answer 34:** See response to question 2

35. Do you have a financial wellness plan in place?

a. If yes, who is providing the service?

b. If no, would you be interested in receiving a quote as an additional service for a wellness technology platform to augment plan sponsor reporting and recordkeeper resources?

**Answer 35:** Yes. Empower offers extensive financial wellness through its Plan advisors; and the Agency also offers it as requested throughout the year in multiple ways .