



Fresno Economic Opportunities Commission

REQUEST FOR PROPOSAL
For
Retirement Investment Advisor Services
Bid Number:
032315
March 2, 2015

Fresno Economic Opportunities Commission (Fresno EOC or Agency) is soliciting proposals to establish a contract with one (1) qualified and experienced Retirement Investment Advisory Firm to handle the retirement plans for Fresno EOC. Through this contract, Fresno EOC intends to minimize investment costs, improve operational efficiency, and maximize investment capabilities.

This Request for Proposal (RFP) specifies all required qualifications, the services required, the investment goals, the estimated activity volumes on all plans, submission instructions, and the contract award provisions.

Proposals will be considered from qualified and experienced retirement investment advisory firms who are regularly established in the business of investment advisory services, and who in the judgment of Fresno EOC are financially responsible. Through prior work performed, firms must be able to show evidence of reliability, earnings capability, experience, and knowledgeable personnel to perform the services.

You can also find The Request for Proposals (RFP) on the Fresno EOC website homepage www.fresnoeoc.org.

Proposal Submission:

Qualified retirement investment advisory firms are invited to submit a proposal (six (6) hard copies and one digital copy) meeting the requirements described herein which must be received no later than **2:00 p.m., Monday, March 23, 2015**. The electronic file is to be sent to cynthia.bare@fresnoeoc.org with the subject line of: Retirement RFP 032315. Mail or deliver hard copy proposals in a sealed envelope to:

Fresno Economic Opportunities Commission
ATTN: Cynthia Bare
1920 Mariposa Mall, Suite 330
Fresno, CA 93721-2504

Failure to clearly label proposals may result in premature disclosure. It is the responsibility of the Bidder to ensure that proposals are received by the above deadline. Late proposals will not be considered.

Questions:

Direct all questions regarding this RFP to Cynthia Bare via email: cynthia.bare@fresnoeoc.org. All questions and responses are public and posted in a timely manner on the Fresno EOC website homepage (www.fresnoeoc.org) under the RFP section. Fresno EOC will not accept questions after Friday, March 13, 2015.

This Request for Proposal does not commit Fresno EOC to award a contract or pay any costs incurred in the preparation of a proposal in response to this request. Fresno EOC reserves the right to accept the proposal that it considers to be in its best interest. All materials submitted to Fresno EOC in response to this RFP become the sole property of Fresno EOC and may be used at its discretion unless the proposer identifies any trademarks or patents. Selection of the firm is at the sole discretion of the Fresno EOC Board of Commissioners.

Thank you for your interest in working with Fresno Economic Opportunities Commission.

Brian Angus, Chief Executive Officer
Fresno Economic Opportunities Commission



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Fresno EOC is soliciting proposals from qualified and experienced Retirement Investment Advisory Firms to provide services related to its employee retirement plans. Firms must demonstrate the ability to perform the work described in the Scope of Services and have significant experience to perform the outlined work successfully. Periodically, Fresno EOC carefully explores and considers all service provider options with the goal of adequately protecting the Agency from risk exposures within the limitations of available funding.

About Fresno Economic Opportunities Commission (Fresno EOC):

Fresno EOC is a non-profit community benefit corporation organized under section 501(c)(3) of the internal revenue code. Fresno EOC is part of a large network of Community Action Agencies authorized by the Economic Opportunities Act of 1965. Governed by a board of 24 commissioners representing the various regions of our county, its elected representatives, and community groups serving within the County, Fresno EOC has over the past 50 years emerged as one of the premier Community Action Agencies in the nation operating more than 30 programs directed towards the needs of, and empowering, the poor in our community. Fresno EOC employs approximately 1,200 individuals at eighty-two (82) facilities.

Fresno Community Development Financial Institution (Fresno CDFI) is a wholly-owned subsidiary of Fresno EOC which provides financing and training to grow businesses and jobs in 12 counties in California.

Fresno EOC Retirement Plans Overview:

1. Pension Plan

Fresno EOC created a defined-contribution pension plan in 1977 to recognize the contributions made by its employees in achieving operational success. The Plan is intended to qualify under Section 401 of the Internal Revenue Code.

Employees become eligible for participation and are automatically enrolled in the Plan after they have completed two years of service. Employer contributions of 5% of eligible employee wages are made regularly to the Plan. Employees may also contribute to their account on an after-tax basis from their paycheck.

Earnings net of investment fees and plan expenses are allocated to participant accounts annually.

The Plan does not allow for loans or hardship withdrawals. Employees may request distribution of their account balance upon termination of employment or reaching age 70 ½.

As of December 31, 2014 the Plan held assets of approximately \$30 million dollars and had approximately 1,300 participating employees.

2. 403(b)

All employees are eligible to participate in a 403(b) plan upon hire. Contributions are entirely employee funded through payroll deduction; no employer contribution is provided. Employees are allowed full investment discretion within the funds offered by American Funds which operates as the sole designated investment provider. The 403(b) plan is operated as a non-ERISA plan.

Currently approximately 150 employees are actively participating; the volume of assets held in by employees is not known.



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3. 457(b)
In 2008 Fresno EOC created a non-governmental 457(b) deferred compensation plan for the benefit of top level executive employees. Contributions to the plan must remain in a pooled trust account; individual accounts for the participants are not allowed. Investment decisions are made by the account trustees.

At December 31, 2014, the Plan held assets of approximately \$466 thousand dollars and had four current (and one former) employees participating.

The table provided below includes further information on these plans:

Plan:	Pension Plan	403(b)	457
Investments	Trustee Directed	American Funds – participant directed	BlackRock Global Allocation – Trustee directed
Plan Assets at 12/31/2014	\$30,000,000	N/A	\$460,000
2015 Budgeted Employer Contribution	\$1,600,000	\$0	\$8,700
2015 Budgeted Employee Deferral	\$250,000	\$487,000	\$36,000
Eligibility requirements:	Age 21 and 2 years of service	None	Participation is limited to management and highly compensated employees
Entry Date:	First day of month following date eligibility requirements are met	Date of Hire	Upon invitation
Participants at 12/31/2014	Approximately 875 active employees plus 400 former employees who still have a balance	104 Active Contributing	5 with balances, 1 of which is terminated
Loans	Not Allowed	Not Allowed	Not allowed
Pre-tax Employee Contributions?	No	Yes	Yes



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Response Format:

Responses should be concise and include the materials which are requested within this RFP. Generic marketing and promotional materials are neither required nor desired. Responding firms should concisely but completely describe the scope of services they feel are appropriate to Fresno EOC and its affiliate entities.

Scope of Service:

The firm selected will be required to provide the services described below. Any dollar amounts and activity volumes provided are estimates.

1. The responsibility for investment decisions of assets held in the pension and 457(b) plans will be delegated by the trustees to the investment advisory firm chosen. Communication with the trustees regarding these decisions is essential.
2. Provide advice to trustees on the selection of investment managers and investment options offered by the 403(b) plan.
3. With the assistance of Fresno EOC Human Resource staff, conduct employee education and enrollment outreach efforts throughout the year.
4. Assist new participants with the process of opening 403(b) accounts; provide participants advice concerning their individual investment decisions throughout their participation in the plan.
5. Advise trustees concerning changes to the existing investment policy that you would consider beneficial to the continued viability and success of plans under administration.
6. Assist employees with their decisions to withdraw funds from their 403(b) account. Advise employees of the regulations and tax consequences surrounding withdrawals from retirement accounts.
7. Presentations at quarterly meetings of the Pension Committee on the status of the investments held by the plans and on the market conditions in general are required.
8. Provide a checking account as part of the overall investment structure of the pension plan. This account will be used to make distributions from the pension plan upon request of the participants.
9. Provide Fresno EOC with information required to comply with Internal Revenue Service and Department of Labor reporting requirements for the various plans, including but not limited to Form 5500.

Specifications: Responses to this RFP should cover the following components; the number shown in parentheses is the weighting that component will receive in the rating matrix:

1. Background
 - Firm Name
 - Home Office Address
 - Website
- 4 Retirement Investment Advisor Services



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- Contact Information for this RFP:
 - Name and Title
 - Phone
 - Fax
 - e-mail

- 2. Structure and Experience (5 points)
 - Describe the ownership and structure of your firm
 - Number of branches and size (overall as well as locally within Fresno County)
 - Number of employees
 - Number of years in existence
 - List your firm's lines of business (including affiliated companies)
 - General services you offer for retirement plans
 - Number of new and resigning clients in 2014
 - Provide your privacy policy with regards to sharing client and account information with outside parties
 - Provide a conflict of interest statement that your firm; associate firms and/or key staff may have regarding these services. The statement should not only include actual conflicts, but also any working relationships that may be perceived by disinterested parties as a conflict. If no potential conflicts of interest are identified, state so within your proposal
 - Provide proof of insurances carried for errors and omissions and fiduciary liability

- 3. Non Profit Expertise / Relevant Experience (5 points)
 - Descriptions / examples of previous experience that may be relevant to servicing the retirement plan similar in size / structure to that of Fresno EOC's plans.
 - Provide a list of current clients with a similar non-profit structure.
 - List total number of 403(b), 457(b), and defined contribution plan administered

- 4. Proposed Service Approach (30 points)
 - Describe your understanding of Fresno EOC's desired services
 - Discuss your firm's philosophy on the process of providing retirement investment advisory services, including proposed techniques and methodology to be used for each task.
 - State any difficulties foreseen in performing the designated tasks
 - Describe your firm's technological capabilities and what resources are available including online access for 403(b) participants and administrative staff for each plan type
 - List benchmarking resources utilized to stay current with, and to forecast, industry trends and investment performance
 - Denote the number of investment managers/investment funds you currently track and describe the method for gathering information on them
 - Provide your procedures used to rebalance investments back to the target asset allocations.
 - State under what circumstances you would recommend adding and/or replacing an investment manager/investment fund
 - How often does your staff visit with investment managers, both in-house and on-site? How is the information gained from such visits disseminated throughout your firm?
 - Describe your strategy for participant education.



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- Provide the availability of investment advisory representatives to respond to participant questions and the method of communication to be utilized for this contact
 - Detail any educational materials that will be made available to 403(b) participants to assist with investment selection
 - Describe any services or portion of services, which will be performed by another firm, and provide relevant information on said firm's qualifications and personnel.
 - Confirm your representative(s) will be available to meet in person quarterly with our Pension Committee to review the plan performance and with Human Resources staff as needed for outreach to our employees
5. Service Team (15 points)
- Describe the proposed account team such as:
 - name
 - job title
 - location
 - education
 - current responsibilities and area of expertise
 - years of experience with retirement plans
 - number of years with your firm
 - professional affiliations
 - professional qualifications (such as: honors, designations, other credentials)
 - Provide the number and average size of plans currently supported for each of the primary service team members who will be assigned to Fresno EOC
 - Include resumes of these key individuals as an Appendix to this proposal
 - Include your approach to providing quality customer service and education as well as response times on services such as opening new accounts
 - Supply an outline of key milestones to implement services and who will be responsible for completion of each milestone
 - Provide a list and description of any current or pending administrative or similar actions against you or your firm or an affirmative statement that there are none
 - Specify if you have on-staff ERISA counsel
6. Client References (5 points)
- List three clients, preferably non-profit organizations, whom we may contact as references. Please also include the number of years you have been working (or worked) with them.
 - Provide two specific examples of ways in which your firm has made a positive impact on retirement plans you supported over the past 24 months (For example: increased participation, increased deferrals, enhanced services, lowered fees).
7. Small, Women, Disabled Veteran, or Minority Owned Business and Diversity (10 points)
- Efforts will be made to utilize small businesses, women, disabled veteran, and minority-owned businesses, with the consideration that the primary responsibility is the most favorable return to Fresno EOC. If applicable, provide publically certified documentation or a self-certification statement that is subject to examination. If not applicable, please so state.
 - Please provide details of any efforts towards diversity by your firm.



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8. Proposed Fee Structure / Pricing (30 points)

- Describe how your firm is compensated for services.
- Provide percentage of your firm's revenue which is derived from: A> Commission relationships and B> Advisory relationships.
- Does your firm receive any form of compensation or benefits from companies or individuals whose products or services you may refer or recommend? Please explain.
- Describe any and all fees for services to our plan under this proposal,
- Provide a list of fees and the corresponding fee structure that will be charged by each proposed money managers who will be utilized.
- Are you willing to guarantee your fees for a specific period of time?
- If your firm provides a written agreement or letter of engagement detailing services provided to our plan, please provide a sample.

Pricing will be reviewed based on reasonableness for services being provided, competitive market rates, and fee structure. Fresno EOC is not obligated to select the firm with the lowest fee proposal to perform these professional services.

Patent Indemnity

The Bidder shall hold Fresno EOC, its officers, agents, and employees, harmless from liabilities of any nature or kind on account of use of any copyrighted or un-copyrighted composition, secret process, patented or unpatented invention, article of appliance furnished or used under this RFP.

Selection Process

All eligible proposals will be reviewed and rated for their qualifications, experience, price, and suitability to complete the Scope of Work for this RFP. Fresno EOC, at its discretion, may request presentations from a short list of firms and/or request additional clarification information from any or all Bidders. However, Fresno EOC reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Bidder can propose. All bids are subject to approval by the Fresno EOC Board of Commissioners. Notice to selected bidder to proceed with scope of work is anticipated by June 1, 2015.

Proposal evaluation shall be based solely on the information provided in the proposal submittal package. Be sure to include all relevant information and evidence of your firm's record of performance and ability to perform the work.

Right to Reject

Fresno EOC reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP. Fresno EOC reserves the right to waive informalities or irregularities in bids. In case of deviation from enclosed specifications, the bidders shall indicate in writing the exception(s) from the specifications. If no exception(s) is noted, it is understood that the specification will be complied within detail as requested **WITH NO EXCEPTION.**