

Purchasing Department
Bobbie Wilkerson, Supervisor of Purchasing
410-638-4083 • Bobbie.Wilkerson-Tolston@hcps.org

ADDENDUM #2
16-BTW-007

**SERVICE PROVIDER FOR RECORDKEEPING, INVESTMENT, COMMUNICAITONS AND
ADMINISTRATIVE SERVICES FOR THE 403(B) AND 475 (b) PLANS**

TO : ALL BIDDERS

FROM: BOBBIE WILKERSON, CPPO, CPPB

DATE: 7/11/17

This Addendum is issued to provide clarification to all bidders.

This addendum is being issued in response to the twenty-two (22) questions received from potential Proposers. Included are the Addendum Signature page and two (2) attachments.

I hereby acknowledge receipt of Addendum #2 dated July 11, 2017, to RFP (16-BTW-007) Service Provider For Recordkeeping, Investment, Communications and Administrative Services for the 403(B) and 475 (B) Plans.

Note: The person signing this addendum must be the same person that signs the Bid Form.

Signature

Date

Printed Name

Harford County Public Schools: ADDENDUM #2

Questions: RFP # 16-BTW-007

1. How many hard copies are we required to send of our proposal?

One original and two copies. One electronic copy.

2. I want to confirm we have the statement of work, referenced as an attachment on page 2, section 1.1. Can you please send or advise where this information is located?

The statement of work is located in Section I and starts on page 12.

3. Please provide the current service agreement.

The current service agreement will be provided to the finalist.

4. Can you send a sample of the current contribution file feed that HCPS uses today, as well as the field and data definitions for the file?

See attachment A for details.

5. Please indicate the current process for participant loan payments; i.e.- payroll deduction, ACH or coupon book.

Repayments for participant loans are made via ACH.

6. What are the total assets and total number of participants in the managed account service today?

There are approximately 2,500 participants (active and terminated vested) across both plans utilizing the Morningstar portfolios. This represents \$59.9 million dollars as of 3/31/17.

7. Is any of the revenue produced by the fund line-up kept by the recordkeeper or is it returned to the plan and/or HCPS participants?

Fee levelized environment.

8. What are the current recordkeeping fees for the plan today?

The plans participate in a fee leveling program of 26 basis points.

9. What are the ancillary fees for the financial advice, managed account and QDRO services being charged to the plan or the participants today?

Ancillary fees include a \$75 loan imitation fee, and a \$25 annual loan maintenance fee.

10. Does HCPS prefer a price quote assuming no proprietary funds?

Please provide price quotes with and without proprietary funds.

11. Will HCPS accept a price quote with the inclusion of proprietary funds?

Please provide price quotes with and without proprietary funds.

12. What are the book-value termination options for the Lincoln fixed fund product?

The payout options for the Lincoln Stable Value account are as follows:

- Immediate lump-sum payment (potential MVA)
- Six Book Value payments over five years (DEFAULT)
- Book Value lump-sum payment with 12 month notice

13. Are participant contributions remitted in percentage or flat dollar or both?

Lincoln currently receives both flat dollar and percentage contribution remittances.

14. Who is your payroll provider and how many payroll locations will be remitting payroll contribution data?

HCPS uses Infor-Lawson as our payroll provider and our payroll is processed in-house and is centrally located—see attachment B.

15. Are there any 403(b) legacy assets with other providers besides Lincoln? If so, are there recordkeeping requirements in regards to loans and hardships from other providers?

There are no legacy assets. The single vendor solution went effective in 2007.

16. Please confirm the number of Participants with balances?

There are 2,275 participants with a balance in the 403(b) plan, and 331 participants with a balance in the 457(b) plan.

17. Can more detail be provided regarding the 13,882 terminated employees? Do all terminated participants have a balance? If not what is the cash balance of those that do?

Lincoln keeps track of all terminated employees, however not all terminated employees have a balance. As of today 422 terminated participants have a balance, and their balances total

\$21,103,343.88 in the 403(b) plan, and 102 terminated participants in the 457(b) plan and their balance totals \$2,676,409.17.

18. Can more details be provided regarding the managed account program today? How many participants are participating in the program and what is the total amount of assets invested in the program?

Please see question #6.

19. What was the total number of hardships, QDROs, and distribution checks processed in 2016?

For the year 2016, the following transactions were completed for each plan:

HPS-403(b):

- 2 QDROS processed
- 232 distribution/withdrawal transactions broken down as follows:
 - 215- Distributions processed (inclusive of disability payments, beneficiary payments and RMDs)
 - 2- hardships
 - 15- 59 ½ withdrawals.

HPS-457(b):

- 34 distributions including RMDs

20. Can a projected timeline with the target dates for the evaluation of the proposal, finalist's presentations and decision be provided?

There is not a set timeline for finalist presentations.

21. On page 14 the current MVA of 3.54% of stable value assets (approximately \$582,000) is noted. Can you confirm if this amount is positive or negative?

This is a negative MVA adjustment, so the plan would receive less than full book value if they chose the immediate lump sum payment option.

22. Can more details regarding Lincoln's data clean-up project and what the sponsor's expectations will be going forward if a new provider is selected?

The data clean-up project addresses the high number of terminated employees that still show up on the data extracts.

Harford County Public Schools
 457B Salary Deferral Changes
 6/01/2017-6/30/2017

ATTACHMENT A

Last Name	First Name	Employee Id	Plan Name	Election Type	Effective Date	Participation	Defer	Deferral Percent	Pay Plans
			Employee 457 PLAN PRE-TAX	CHANGE	6/7/2017	ACTIVE	700		26
			Employee 457 ROTH	NEW	6/5/2017	ACTIVE		10	22
			Employee 457 PLAN PRE-TAX	CHANGE	6/22/2017	ACTIVE	100		22
			Employee 457 ROTH	CHANGE	6/22/2017	ACTIVE	100		22
			Employee 457 ROTH	NEW	6/1/2017	ELIGIBLE	5		22
			Employee 457 PLAN PRE-TAX	CHANGE	6/14/2017	ACTIVE		15	22
			Employee 457 ROTH	CHANGE	6/15/2017	ACTIVE	100		26
			Employee 457 PLAN PRE-TAX	CHANGE	6/15/2017	ACTIVE	600		22
			Employee 457 PLAN PRE-TAX	CHANGE	6/15/2017	ACTIVE	600		22
			Employee 457 ROTH	NEW	6/15/2017	ELIGIBLE		15	22

Harford County Public Schools
Salary Deferral Changes
6/22/2017-7/6/2017

ATTACHMENT B

Employee 403(B) Plan

Last Name	First Name	Employee Id	Plan Name	Election Type	Effective Date	Participation Status	Deferral Ar	Deferral Percent	Pay Plans
			Employee 403(B) Plan ROTH	CHANGE	6/22/2017	ACTIVE		15	22
			Employee 403(B) Plan PRE-TAX	CHANGE	7/3/2017	ACTIVE	100		22
			Employee 403(B) Plan PRE-TAX	CHANGE	7/5/2017	ACTIVE		6	22
			Employee 403(B) Plan PRE-TAX	CHANGE	6/28/2017	ACTIVE		4	26
			Employee 403(B) Plan PRE-TAX	CHANGE	6/29/2017	ACTIVE		12	22
			Employee 403(B) Plan PRE-TAX	CHANGE	6/26/2017	ACTIVE	450		22
			Employee 403(B) Plan PRE-TAX	NEW	6/30/2017	ACTIVE		5	22
			Employee 403(B) Plan PRE-TAX	CHANGE	6/22/2017	ACTIVE	225		22
			Employee 403(B) Plan PRE-TAX	CHANGE	6/30/2017	ACTIVE	0	75	22
			Employee 403(B) Plan PRE-TAX	CHANGE	6/28/2017	ACTIVE	0		22
			Employee 403(B) Plan PRE-TAX	CHANGE	7/5/2017	ACTIVE		16	26