

DATE: October 18, 2019

TO: ALL OFFERS

FROM: John Meyer
Director, Contributions and Plan Management, Office of the State Treasurer

SUBJECT: ADDENDUM TO INVITATION TO BID - CONTRACT NO. TRE20101-
INVESTMENT, Investment Advisory and Consulting Services

ADDENDUM #1

All other terms and conditions remain the same.

This is to inform bidders of the posting of Questions and Answers as asked in reference to the above Contract.

If you have any questions, please contact me at 302-672-6705, Treasury_RFP@delaware.gov.

QUESTIONS AND ANSWERS¹

TRE20101- INVESTMENT ADVISORY AND CONSULTING SERVICES

Question: How many meetings should we prepare to attend in person each year?

Response: The selected Consultant must attend in person all quarterly Investment Committee meetings, unless excused by OST. If and as requested by OST, the Consultant also must attend in person, or participate telephonically in, any special meetings of the Investment Committee, and any quarterly or special meetings of the full Board and the Audit and Governance Committee. Board meetings and committee meetings are scheduled on different days. A calendar of 2020 scheduled Board and committee meetings will be released in December. A list of meetings can be found at the State of Delaware Public Meeting Calendar at: <https://publicmeetings.delaware.gov/>.

Question: Please confirm that the 401(a)-fund lineup is the same as the 457(b) and 403(b) Plans. If not, please provide the list of available investment options to the participants in the 401(a) Plan.

Response: They are the same.

Question: Is the State currently doing annual fee disclosures under ERISA § 404(a) for participants in the 403(b) Plan who have individual contracts or other assets with legacy 403(b) vendors?

Response: No. Consultants are encouraged to address in their proposals whether such disclosures are recommended or deemed best practice for governmental 403(b) plan sponsors and how such sponsors address legacy 403(b) vendors who fail or refuse to provide compensation disclosures required under ERISA § 408(b)(2).

Question: What are the current available investment options offered to participants under the 529 Plan?

Response: Investment information for the State's 529 Plan can be found at <https://www.fidelity.com/delaware> .

Question: Are there any investment initiatives being planned for the next 12-16 months?

Response: At this time, there are no initiatives planned outside of what is described in the Scope of Services in the RFP.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the RFP. TRE20101.

Question: Can you please provide the summary Plan description (or any similar summary documentation describing your Plans that is provided to participants) for each Plan?

Response: Please see www.delawaredefer.com for current plan information.

Question: Can you please provide the Investment Policy Statement (“IPS”) for each Plan?

Response: The IPS for the deferred compensation Plans can be found at <https://treasurer.delaware.gov/forms-documents-library/>. The 529 Plan IPS is currently under consideration by the Board and an initial draft can be found at https://simbli.eboardsolutions.com/SB_Meetings/ViewMeeting.aspx?S=190006&MID=2421. In addition, the investment guidelines for the 529 Plan can be found in Schedule A at <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=190006&AID=45010&MID=2386>. The IPS for the National ABLE Alliance can be found www.able.delaware.gov.

Question: How many manager searches have been conducted each year, over the last 3 years for each Plan?

Response: Funds in the deferred compensation program are reviewed on a quarterly basis. In 2019, one fund was terminated, and a replacement was approved by the Board.

Question: Has OST conducted a target date fund review, fee benchmarking review, and an investment menu review within the last three years? If so, when were these reviews last completed?

Response: Yes, an annual target date review was completed at the August 2019 Investment Committee meeting. Information from the meeting can be found at https://simbli.eboardsolutions.com/SB_Meetings/ViewMeeting.aspx?S=190006&MID=2421. Fee benchmarking is included in our quarterly investment reviews.

Question: Can you provide the investment lineups for each plan?

Response: Investment lineups for all three deferred compensation Plans can be found at www.delawaredefer.com. The investment lineup for the 529 Plan can be found at www.fidelity.com/delaware. The investment lineup for the ABLE Plan can be found at www.savewithable.com.

Question: Who is the incumbent investment provider and is the State currently experiencing any service issues with their provider?

Response: Cammack Retirement Group (“Cammack”) is the current Consultant for the deferred compensation Plans and the 529 Plan. The State is not currently experiencing any service issues with Cammack.

Question: What prompted the need for an RFP search?

Response: The expiration of the current consulting contract with Cammack.

Question: How long has the incumbent consultant been in place?

Response: Five years.

Question: Are the services the same as those received currently? If not, what has changed?

Response: Yes, except that the RFP seeks to include the ABLE Plan within the scope of the new engagement.

Question: What is the current fee paid to the Plans' consultant(s)? Is this all-inclusive; e.g. plan audits, compliance etc.

Response: The current fee schedule is all inclusive and can be found at http://contracts.delaware.gov/contract_archive_detail.asp?i=2617.

Question: What is the expected date for the next service provider search/proposal process?

Response: OST may issue one or more RFPs for the deferred compensation Plans and the 529 Plan within the next 18-24 months.

Question: Would the State consider an adjustment to item 4 in the minimum qualifications regarding regulatory proceedings? [Note: this question does not address civil litigation]

Response: Yes. OST will consider a Consultant's request for a waiver of a minimum qualification relating to past or pending administrative or civil proceedings. Any such request must be accompanied with sufficient information about the proceedings to enable OST to make a reasoned decision, including, without limitation, the caption and general nature of the proceedings, the allegations against the Consultant, the Consultant's defenses and position, the findings, if any, made by any regulator, mediator or arbitrator, or any regulatory, administrative, judicial, quasi-judicial, or other government official or tribunal, the status or disposition of the matter, and any voluntary or mandated remedial action that the Consultant took in connection with the matter.

Question: Should fees be quoted assuming vendor search work or separate from ongoing work?

Response: Per section III, #7 of the RFP, fees should be all inclusive.