



CITY OF HOUSTON
FINANCE DEPARTMENT
S22- Q24570
NOTICE OF REQUEST FOR QUALIFICATION

**STRATEGIC
PURCHASING DIVISION**
901 Bagby Street, Concourse
Level
Houston, Texas 77002

GENERAL INSTRUCTIONS, TERMS & CONDITIONS

The City of Houston's Finance Department is soliciting services from qualified consultancies/contractor(s) to work collaboratively with the City to develop a comprehensive statement of work (SOW) for a Third Party Administrator for the City's Deferred Compensation Plan, {IRC Section 457(b)}. The SOW developed will subsequently be used to solicit Request for Proposals from professional 457 Plan Administrator(s).

Prospective consultancies/contractor(s) needing additional information/clarification to this request for qualification (RFQ) are requested to e-mail questions to Ray DuRousseau at ray.durousseau@houstontx.gov. The deadline for submitting questions is **April 2, 2013 at 9:00 AM CDT. No questions will be accepted after the deadline.** All questions will be answered via letter of clarification to this RFQ and posted on the City's e-bidding website and automatically e-mailed to all who registered to receive this RFQ.

Please review the Statement of Work below. If you believe that your consultancy/firm meets the minimum requirements as outlined in the Statement of Work of the RFQ, please submit your Statement of Qualifications (SOQ) to Ray DuRousseau, via one of the methods listed below by **April 12, 2013 at 1:00 PM CDT. No SOQ's will be accepted after the deadline.**

E-mail: (Preferred Method): ray.durousseau@houstontx.gov

Mail: City of Houston
Strategic Purchasing Division (Suite B400, Room B402)
901 Bagby Street
Houston, Texas 77002

STATEMENT OF WORK

1.0 Background

1.1 The City of Houston ("City") sponsors a deferred compensation plan {IRC section 457(b)} for all City employees. The Plan is currently administered by Great West Financial and includes a wide array of investment options. Great West Financial provides services to the City and its employees that include (a) recordkeeping and administration, (b) investment management and custodial trustee services, and (c) participant communication and education.

1.2 The City is required to issue a competitive solicitation every five years for a Plan Administrator to ensure that administrative and investment management fees remain competitive with the marketplace.

2.0 Objective

2.1 The objective of the RFQ process is to receive from each interested consultancy/consultant a formal statement of qualifications (SOQ) to assist the City with achieving its goals. The SOQ will be used to evaluate each consultancy/consultant's experience, capabilities, qualifications and understanding of the



CITY OF HOUSTON
FINANCE DEPARTMENT
S22- Q24570
NOTICE OF REQUEST FOR QUALIFICATION

**STRATEGIC
PURCHASING DIVISION**
901 Bagby Street, Concourse
Level
Houston, Texas 77002

City's objectives.

3.0 Scope of Work/Services

3.1 The selected consultancy/consultant shall be required to assist the City's Plan Administrator in the development of a comprehensive statement of work for the City's Third Party Administrator for its Deferred Compensation Plan, {IRC Section 457(b)} for subsequent issuance of a formal Request for Proposal (RFP).

3.1.1 At a minimum, the City expects the consultancy/consultant to provide the following services:

- Develop a comprehensive Statement of Work (SOW) to be used for a Third Party Administrator for the City's 457 Deferred Compensation Plan.
- Assist the City's Plan Administrator with responding to technical questions as it pertains to the future solicitation and serve as a subject matter expert on the future solicitation evaluation team.
- Assist the City's Plan Administrator in reviewing the Plan's investment options and provide a detailed analysis as part of its review of each respondent's proposal to the RFP. This includes an analysis, a detailed review of the stable value and mutual fund investment options.
- Assist the City's Plan Administrator in conducting contract negotiations, including fees and expenses, with the highest ranked respondent(s) to the future Third Party Administrator for its Deferred Compensation Plan {IRC Section 457(b)} solicitation and assist in the final implementation of {IRC Section 457(b)} contract statement of work.
- Assist the City's Plan Administrator in conducting a thorough review of provider responses and prepare a document summarizing responses.
- Assist the City's Plan Administrator via on-site meetings or conference calls and make a presentation to Council, if necessary.

If a new service provider is selected by the City, assist the Plan Administrator of the Plan in transitioning the Plan. This will include review of administrative services agreements and contracts, finalization of an investment line up if changes are warranted, and employee communication and education to be performed by the selected service provider.

4.0 Submission of Qualifications

4.1 The City of Houston's Finance Department is requesting qualified {IRC Section 457(b)} consulting service providers to submit their qualifications. To qualify for the contract award, the consultancy/consultant **MUST** at a minimum, include:



CITY OF HOUSTON
FINANCE DEPARTMENT
S22- Q24570
NOTICE OF REQUEST FOR QUALIFICATION

**STRATEGIC
PURCHASING DIVISION**
901 Bagby Street, Concourse
Level
Houston, Texas 77002

- Provide a specific statement of qualifications (SOQ) for this RFQ. The length of the submittal document shall not exceed 10 pages (single sided). The SOQ shall state the consultancy/consultant qualifications and experience in the area of developing and implementing a Third Party Administrator for a Deferred Compensation Plan {IRC Section 457(b)} and technical specification writing. (If possible, the consultancy/consultant shall expand upon its qualifications and experience in the Public Sector. Specific, relevant experience with a Third Party Administrator for a Deferred Compensation Plan {IRC Section 457(b)} should be highlighted.)
 - Provide your firm's complete name, address, voice telephone, e-mail, and fax numbers. Include the name and title of your proposed primary consultant and the location from which the consulting work will be done.
 - Provide an overview of your firm's services and management approach. The narrative should demonstrate the bidder's ability to customize services to the client's needs.
 - Briefly, provide a description of your firm's corporate history. Within the past three years, have there been any significant developments in your organization, such as changes in ownership, restructuring, or personnel reorganizations? Do you anticipate future significant changes in your organization? If yes, please describe.
 - Please describe your experience working with 457 public deferred compensation plans or similar defined contribution plans. Please discuss your provider search capabilities, your knowledge of the marketplace and expertise with the service providers who service the public marketplace.
 - How many service provider review and evaluation projects has your organization conducted over the past three years and what was the average asset size of the plans involved?
 - What are the most important criteria to consider when evaluating record keepers?
 - Provide a proposed work plan for the service provider search project. Please include high level milestones and the appropriate timing for each.
 - Please describe your experience reviewing and evaluating plan investments.
 - Please provide the total assets under advisement for the clients to whom you provide consulting services
 - Please describe the process you use to screen investment managers. Please list the qualitative and quantitative factors that you consider during your review.
 - What are the most important factors you consider when evaluating stable value fund managers?



CITY OF HOUSTON
FINANCE DEPARTMENT
S22- Q24570
NOTICE OF REQUEST FOR QUALIFICATION

**STRATEGIC
PURCHASING DIVISION**
901 Bagby Street, Concourse
Level
Houston, Texas 77002

How do you go about evaluating those factors?

- Please describe your process for determining the appropriate asset allocation.
- Describe the ownership structure of your firm, giving specific details with regard to any parent or affiliates.
- Include an ownership organizational chart. Show and describe, if any, the distinct lines of business of your firm that are in addition to your consulting business.
- Within the last five years, has your firm or any officer or principal been involved in any business litigation or other legal proceedings relating to your consulting activities? If so, provide an explanation and indicate the current status or disposition along with the caption of the case, the court it was in and the docket number.

4.2 Please describe the level of coverage for errors and omissions insurance and any fiduciary or professional liability insurance your firm carries. List the insurance carrier(s) supplying the coverage.

- Provide an explanation of the consultancy/consultant understanding of the work that must be accomplished via this RFQ and the proposed approach detailing the steps that will be utilized to meet this RFQ's intent.
- Provide a high level project plan including phases, milestones, deliverables, and number of days after Notice to Proceed (NTP) that each task shall be accomplished. The project plan should contain (but is not limited to) the following specific milestones with anticipated time frame of completion for each:
 - Evaluate current plan and service provider
 - Develop RFQ/RFP
 - Issue RFP
 - Complete RFQ evaluations
 - Conduct interviews/site visits
 - Select service provider
 - Negotiate/sign contract
 - Plan transition
- Identify the extent of City's staff involvement deemed necessary during each phase
- Provide an organizational chart of proposed staff roles, resumes, licenses, designations, certifications, as applicable, availability, highlights of a Third Party Administrator for its Deferred Compensation Plan {IRC Section 457(b)} experience, and tenure with consultancy.



CITY OF HOUSTON
FINANCE DEPARTMENT
 S22- Q24570
NOTICE OF REQUEST FOR QUALIFICATION

**STRATEGIC
 PURCHASING DIVISION**
 901 Bagby Street, Concourse
 Level
 Houston, Texas 77002

- Name
 - Title
 - Proposed Role with the City of Houston
 - Total years of consulting experience with 457, defined contribution, 401(k) or similar plans
 - Years of consulting experience with the firm
 - Number and size of assigned accounts
- Please provide the names of three (3) clients who have terminated your firm’s services in the last three years. In each case, detail the reason for termination.
 - Please provide the names of all new client relationships gained in the last three years.
 - Provide a written statement acknowledging the City’s Insurance requirements and contractor’s willingness and ability to obtain required insurance certificates if awarded a City contract
 - Provide company’s audited annual financial statements, in accordance with and as defined in the Financial Accounting Standards Board (FASB) regulation(s) for the past two years. In addition, include your and Dunn & Bradstreet Report or Federal Tax Forms Filed to the Internal Revenue Service (IRS) for the past two years
 - Provide a written statement acknowledging the City’s M/WBE Program and contractor’s willingness to make a good-faith effort in utilizing a certified M/WBE sub-contractor for 24% of work for the contract awarded by the City.
 - Provide a minimum of three references for developing and implementing a Third Party Administrator for its Deferred Compensation Plan {IRC Section 457(b)}, preferably in the Public Sector.

Additionally, the documents listed below must be provided with the QP:

TABLE 1 - REQUIRED FORMS
Affidavit of Ownership.doc
Fair Campaign Ordinance.doc
Statement of Residency.doc
Drug Forms
POP 1a Pay or Play Acknowledgment Form
Contractor Questionnaire
Hire Houston First Affidavit (See Details Below)

*** All forms can be downloaded from the following link:**
http://purchasing.houstontx.gov/solicitation_forms.html **Offeror will be able to click and print each required document from this site.**



CITY OF HOUSTON
FINANCE DEPARTMENT
 S22- Q24570
NOTICE OF REQUEST FOR QUALIFICATION

STRATEGIC
PURCHASING DIVISION
 901 Bagby Street, Concourse
 Level
 Houston, Texas 77002

5.0 Qualification Evaluation Criteria

5.1 In evaluating the submitted SOQ's, the following criteria will be used when evaluating the RFQ responses and are listed in the order of importance to the City of Houston:

Evaluation Criteria	Allotted Points
Organizational structure, stability, dependence and fiduciary status. Established and verifiable track record for developing a RFP Deferred Compensation Plan{IRC Section 457(b)}	25
Ability to field an experienced and qualified team that can partner synergistically with the City of Houston.	25
Technical writing skills/experience in developing RFQs/RFPs for a Third Party Administrator for Deferred Compensation Plans {IRC Section 457(b)} Statement of Work.	25
Clear understanding of the City's Deferred Compensation Plan {IRC Section 457(b)} requirements and proposed SOW delivery methodology.	10
Client servicing capabilities, reputation and defined contribution industry experience.	10
M/WBE Participation.	5(Pass/Fail)
	100

* Hire Houston First Preference Points (City Business = five (5) extra percentage points or Local Business = three (3) extra percentage points and Non-City and Non-Local Business will receive zero (0) extra percentage points).

- **HIRE HOUSTON FIRST**

Designation as a City Business or Local Business

To be designated as a City or Local Business for the purposes of the Hire Houston First Program, as set out in Article XI of Chapter 15 of the Houston City Code, a bidder or proposer must submit the **Hire Houston First Application and Affidavit ("HHF Affidavit")** to the Director of the Mayor's Office of Business Opportunities and receive notice that the submission has been approved prior to award of a



CITY OF HOUSTON
FINANCE DEPARTMENT
S22- Q24570
NOTICE OF REQUEST FOR QUALIFICATION

**STRATEGIC
PURCHASING DIVISION**
901 Bagby Street, Concourse
Level
Houston, Texas 77002

contract. Bidders are encouraged to secure a designation prior to submission of a bid or proposal if at all possible.

Download the HHF Affidavit from the Office of Business Opportunities Webpage at the City of Houston e-Government Website at the following location:

www.houstontx.gov/obo/moreforms/hirehoustonfirstaffidavit.pdf

Submit the completed application forms to: Mayor's Office of Business Opportunity, One Stop Business Center, 900 Bagby St., Public Level, Houston, TX 77002 or Applications may be submitted via e-mail to HHF-MOBO@houstontx.gov or faxed to 832.393.0952.

Award of Procurement Pursuant to a Request for Proposal, Best Value Solicitation or Alternative---Pursuant to Chapter 15 of the City Code of Ordinances

IN EVALUATION OF A PROPOSAL SUBMITTED UNDER ANY OF THE ABOVE PROCUREMENT METHODS, THE CITY SHALL AWARD EXTRA POINTS EQUAL TO:

- **THREE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A "LOCAL BUSINESS," AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES, AND
- **FIVE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A "CITY BUSINESS," AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES.
- UNLESS THE USER DEPARTMENT DETERMINES THAT AN AWARD TO THE LOCAL OR CITY BUSINESS WOULD UNDULY INTERFERE WITH CONTRACT NEEDS, AS PROVIDED IN SECTION 15-181 OF THE CODE.

5.2 SELECTION PROCESS

5.2.1 The award of this agreement will be made to the best respondent(s) offering the response which best meet the needs of the City. The City may make investigations, as it deems necessary, to determine the capabilities of each respondent. Therefore, the respondent shall furnish to the City such data as the City may request for this purpose. The City reserves the right to reject any offer if the evidence submitted by or the investigation of the respondent fails to satisfy the City or the respondent is deemed unqualified to provide the services contemplated.

5.2.2 The City of Houston has sole discretion and reserves the right to cancel this RFQ, or to reject any or all SOQs received prior to contract award.

6.0 QUIET PERIOD/NO CONTACT:

6.1 Starting on the date proposals to an RFQ (or bids to an ITB) are due and expiring on the date the City Secretary



CITY OF HOUSTON
FINANCE DEPARTMENT
S22- Q24570
NOTICE OF REQUEST FOR QUALIFICATION

**STRATEGIC
PURCHASING DIVISION**
901 Bagby Street, Concourse
Level
Houston, Texas 77002

publicly posts notice of any City Council agenda containing the applicable award ("Quiet Period"), actual and prospective respondents or bidders (including their representatives or persons acting on their behalf) are prohibited from contacting members of City Council or any City employees other than the contracting officer, in any manner regarding the issued RFQ or ITB. Actual and prospective respondents or bidders include those respondents or bidders who have received notice that they have not been chosen as finalists for any solicitation. Actual and prospective respondents or bidders (including their representatives or persons acting on their behalf) are expressly prohibited from offering, presenting or promising gratuities, favors, or anything of value to any member of an evaluation committee or any appointed or elected official or employee of the City of Houston, their families or staff members.

- 6.2 Notwithstanding the foregoing, the following types of communication only are exempt and shall be permitted by respondents and bidders during the Quiet Period:
- 6.2.1 Respondent's formal response to the RFQ;
 - 6.2.2 Communications publically made during the official pre-bid conference;
 - 6.2.3 Written requests for clarification during the period officially designated for such purpose by the contracting officer; and
 - 6.2.4 Communications during an oral interview, scheduled at the request of and for the benefit of the City's evaluation committee, if any.
- 6.3 During the Quiet Period, the solicitation contact person shall serve as the sole point of contact for any actual or prospective respondents. Nothing in this section shall prevent the respondent from making public statements to City Council after the Quiet Period.
- 6.4 As part of their bid or RFP responses, respondents or bidders shall attest that they understand and agree not to contact any members of City Council or City employees—other than the solicitation contact person—during the Quiet Period and acknowledge that any such contact shall be grounds for disqualification from the bid or RFP process.

Calvin D. Wells, ARA Deputy Director
City Purchasing Agent

Date