Request for Proposals for the State of Wisconsin

ETJ0050

Federal Deposit Insurance Corporation (FDIC) - Insured Investment Option



Issued by the State of Wisconsin

Department of Employee Trust Funds

on behalf of the Deferred Compensation Board

RFP Publication Date: March 27, 2020

Vendor Questions, Letter of Intent, and Appendix 3 Due: April 10, 2020 at 2:00 PM CDT

Proposals Due: May 4, 2020 at 2:00 PM CDT

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# General Information

## Introduction

The purpose of this Request for Proposals (RFP) is to solicit proposals from interested and qualified vendors that possess the resources and expertise to provide the State of Wisconsin Deferred Compensation Program (WDC) with a Federal Deposit Insurance Corporation (FDIC) – insured investment option. Proposals from brokers will not be considered.

The State of Wisconsin Department of Employee Trust Funds (Department) intends to use the results of this solicitation to award a Contract for an FDIC – insured investment option. The Contract will be administered and managed by the Department, with oversight by the State of Wisconsin Deferred Compensation Board (Board). This RFP document, its attachments, appendices, addendums, forms, and the awarded Proposal will be incorporated into the Contract.

## Program Overview - Background Information

The WDC is one of the largest supplemental defined contribution retirement savings plans for public sector employees in the United States. It is available to all State and University of Wisconsin employees, as well as employees of local governments and school districts in Wisconsin that have elected to offer the WDC. As of December 31, 2019, the WDC had approximately $5 billion in the accounts of over 65,000 public employees.

The WDC is an unbundled, qualified deferred compensation program under Section 457 of the Internal Revenue Code. It was created by the Wisconsin Laws of 1981, Ch. 187 and established in 1982 for State employees. The WDC has been available to local public employees since 1985. Wisconsin Statute Chapter 40, Subchapter VII, Chapter ETF 70 of Wisconsin Administrative Code and the Wisconsin Plan and Trust Document regulate the WDC and set forth the rules and responsibilities of all parties involved with the program.

The WDC provides eligible employees with the opportunity to invest a portion of their annual earnings on a before or after-tax basis to supplement retirement income. Employees investing for their retirement through the WDC have a variety of investment options from which to choose, including target date funds, fixed income and equity options. Employees also have access to additional mutual fund choices through the WDC’s self-directed brokerage option.

The Department and the Board have statutory authority for program administration and oversight. The Board selects the investment options offered by the WDC and contracts directly with investment providers. The Board quarterly reviews the performance of the investment options offered to determine if they continue to meet established performance benchmarks. Options that are determined to be no longer acceptable may be removed from the WDC and new options may be added at any time.

The purpose of the FDIC – insured investment option is to offer a choice that provides interest income and liquidity while preserving principal. As of December 31, 2019,

9,229 WDC participants held over $131 million in the existing FDIC - insured investment option.

The Board contracts with a third-party administrator (TPA) for a full range of functions related to the WDC, including marketing, customer service, record keeping and overall program administration. The current TPA is Empower Retirement, a division of Great-West Life & Annuity Insurance Company.

WDC participants have considerable flexibility with their deferred compensation accounts. The WDC offers participants a broad selection of investment choices and provides participants with as much flexibility as is allowed by federal tax laws. Subject to fund redemption restrictions, participants may defer into any number of investment products that are offered without restrictions as to the number of investment products selected or the number of times deferral amounts may be increased or decreased.

The Board and the Department take a very active role in the investment product decisions. The Department assists a separate advisory Investment Committee of the Board in reviewing investment options. The investment performance of current offerings is reviewed quarterly and decisions regarding retaining or removing options are based on this review. The Board has the final decision-making authority over the removal of investment options from the WDC.

WDC investment options range from conservative money market and bond funds to more aggressive domestic mid and small cap equity funds and international equity funds. The WDC also offers self-directed brokerage accounts through the Charles Schwab Personal Retirement Account option. Please refer to the WDC Web site at [www.wdc457.org](http://www.wdc457.org) for detailed information on each of the WDC’s current investment options.

The FDIC – insured investment option is currently administered by Johnson Bank of Racine, Wisconsin. The current contract and other information can be found on the Department’s extranet site at <https://etfonline.wi.gov/etf/internet/RFP/WDC-FDIC/index.html>

## Additional Background Information

Table 1 below provides links to additional resources. This information is provided to assist Proposers in completing an RFP response.

Table 1. Resources

|  |  |
| --- | --- |
| **Title** | **Web Address** |
| Employee Trust Funds Website | [http://etf.wi.gov](http://etf.wi.gov/) |
| Wisconsin Administrative Code: Chapter ETF 11 Appeals | <http://docs.legis.wisconsin.gov/code/admin_code/etf/11> |
| Wisconsin State Statutes: Chapter 40 | <http://www.legis.state.wi.us/statutes/Stat0040.pdf> |
| Wisconsin Deferred Compensation Program Internet Site | [www.wdc457.org](http://www.wdc457.org) |
| Wisconsin Deferred Compensation Program Fact Sheet | <http://etf.wi.gov/publications/et8904.pdf>  |

## Procuring and Contracting Agency

This RFP is issued by the Department on behalf of the Board. The Department is the sole point of contact for the State in the selection process. The terms “State,” “ETF,” and “Department” may be used interchangeably in this RFP and its attachments.

Prospective Proposers are prohibited from contacting any person other than the individual listed below regarding this RFP. Violation of this requirement may result in the Proposer being disqualified from further consideration.

Joanne Klaas

Telephone: 608-261-7247

E-mail: ETFSMBProcurement@etf.wi.gov

## Definitions and Acronyms

Words and terms shall be given their ordinary and usual meanings. Words and terms not defined below shall have the meanings provided by Wis. Stat. § 40.02 and Wis. Admin. Code § ETF 10.01 unless otherwise clearly and unambiguously defined by the context of their usage in this RFP. Where capitalized in this RFP, the following definitions and acronyms shall have the meanings indicated unless otherwise noted. The meanings shall be applicable to the singular, plural, masculine, feminine, and neutral forms of the words and terms.

**Board** means the State of Wisconsin Deferred Compensation Board.

**Business Day** means each Calendar Day except Saturday, Sunday, and official State of Wisconsin holidays (see also: Calendar Day, Day).

**Calendar Day** refers to a period of twenty-four hours starting at midnight.

**Contract** means the written agreement resulting from the successful Proposal and subsequent negotiations that shall incorporate, among other things, this RFP, any addendums, Appendices, Forms, the successful Proposer's Proposal as accepted by the Department, an updated and executed Appendix 1 – Pro Forma Contract, its exhibits, subsequent amendments, and other documents as agreed upon by the Department and the Contractor.

**Contractor** means the Proposer who is awarded the Contract.

**Department** or **ETF** means the Wisconsin Department of Employee Trust Funds.

**FDIC** means Federal Deposit Insurance Corporation.

**Mandatory** means the least possible threshold, functionality, degree, performance, etc. needed to meet a compulsory requirement.

**Member** an active employee or retiree who is eligible for benefits through the Department.

**Proposal** means the complete response of a Proposer submitted in the format specified in this RFP, which sets forth the Services offered by a Proposer and Proposer’s pricing for providing the Services described in this RFP.

**Proposer** means any individual, firm, company, corporation, or other entity that submits a Proposal in response to this RFP.

**RFP** means this Request for Proposal ETJ0050.

**State** means State of Wisconsin.

**State Statutes** or **Wisconsin Statutes** or **Wis. Stats.** means Wisconsin State Statutes referenced in this RFP, viewable at: <http://www.legis.state.wi.us/rsb/stats.html>.

**Third Party Administrator or TPA** means the third-party firm contracted to provide administrative services for the Wisconsin Deferred Compensation Program, currently Empower Retirement, a division of Great-West Life & Annuity Insurance Company.

**WDC** means Wisconsin Deferred Compensation Program.

**WRS** means Wisconsin Retirement System.

## Clarification of the Specifications and Requirements

Proposers must submit all questions concerning this RFP via email (no phone calls) to ETFSMBProcurement@etf.wi.gov. The subject of the email must state “**ETJ0050**” and the email must be received on or before the date identified in Section 1.9 Calendar of Events, *Proposer Questions and Letter of Intent Due Date*. Proposers are expected to raise any questions they have concerning this RFP at this point in the process. Do not include any information within your questions that would identify your firm as all submitted questions will be shared publicly with all vendors who submit questions.

Proposers are encouraged to submit any assumptions or exceptions during the above process. All assumptions and exceptions listed must contain a rationale as to the basis for the assumption/exception. The Department will inform Proposers what assumptions/exceptions are acceptable to the Department.

Questions must be submitted as a Microsoft Word document (not a .pdf or scanned image) using the format specified below:

Table 2. Format for Submission of Clarification Questions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Q # | RFP Section | RFP Page | Question/Rationale | Department Answer |
| Q1 |  |  |  |  |
| Q2 |  |  |  |  |
| Q3 |  |  |  |  |
| Q4 |  |  |  |  |

Q = Proposer’s question

Proposer’s email must include the name of the Proposer’s firm and the person submitting the question(s). A compilation of all questions and answers, along with any RFP updates, will be posted to the Department website<https://etf.wi.gov/procurement> on the date indicated in Section 1.9 Calendar of Events, *Department Posts Responses to Proposer Questions*.

If a Proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the Proposer should immediately notify the individual identified in Section 1.4 Procuring and Contracting Agency, of such error and request modification or clarification of this RFP document.

If it becomes necessary to update any part of this RFP, updates/addendums will be published on the Department’s website <https://etf.wi.gov/procurement>.

## Proposer Conference

No Proposer conference is scheduled for this RFP. If the Department decides to hold a Proposer conference, a notice will be posted on the Department’s website. Note, unless this notice is posted, no conference will be held.

## Reasonable Accommodations

The Department will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities, upon request.

## Calendar of Events

Listed below are the important dates by which actions related to this RFP must be completed. If the Department finds it necessary to change any of the specific dates and times in the Calendar of Events listed below, it will do so by posting an addendum to this RFP on the Department’s website <https://etf.wi.gov/procurement>. No other formal notification will be issued for changes in the estimated dates.

Table 3. Calendar of Events\*

|  |  |
| --- | --- |
| Date | Event |
| March 27, 2020 | Department Issues RFP (Release Date) |
| April 10, 2020 by 2:00 PM Central Daylight Time (CDT) | Proposer Questions, Letter of Intent, and Appendix 3 – SFTP Access Request Due |
| April 17, 2020 | Department Posts Responses to Proposer Questions |
| May 4, 2020 by 2:00 PM CDT | **Proposal Due Date** |
| June 11, 2020 | Deferred Compensation Board meeting  |
| June 2020 | Estimated Contract Start Date  |
| December 2020 | Expected Asset Conversion Date |

***\*All dates are estimated except for Proposer due dates for: Proposer Questions, Letter of Intent, Appendix 3 -SFTP Access Request, and Proposals.***

## Contract Term

The Department expects the Contract to commence in June or July 2020, after Contract negotiations have been successfully completed, and extend unless and until either party gives the other 180 day’s notice of their intent to terminate the Contract.

## Letter of Intent

A letter of intent indicating that a Proposer intends to submit a response to this RFP is requested (see Section 1.9 Calendar of Events). In the letter, identify the Proposer’s firm name, location, telephone number, and email address of one or more persons authorized to act on the Proposer’s behalf. Submit the letter of intent via email to the address listed in Section 1.4 Procuring and Contracting Agency. The RFP number and title must be referenced in the subject line of Proposer’s email. The letter of intent does not obligate the Proposer to submit a Proposal.

##  No Obligation to Contract

The Board reserves the right to cancel this RFP for any reason prior to the issuance of a notice of intent to award a Contract. The Board does not guarantee to purchase any specific dollar amount. Proposals that stipulate that the Board shall guarantee a specific quantity or dollar amount will be disqualified.

##  WI Department of Administration eSupplier Registration

The Wisconsin Department of Administration’s eSupplier Portal is available to all businesses and organizations that want to do business with the State. The eSupplier Portal allows vendors to see details about pending invoices and payments, allows vendors to receive automatic, future official notices of bid opportunities, and, in some cases, allows vendors to respond to State solicitations. Note: the eSupplier Portal is not being used for this solicitation for Proposer responses.

For more information on the eSupplier Portal, go to: <https://esupplier.wi.gov/psp/esupplier/SUPPLIER/ERP/h/?tab=WI_BIDDER>

##  Retention of Rights

All Proposals become the property of the Department upon receipt. All rights, title and interest in all materials and ideas prepared by the Proposer for the Proposal, and provided to the Department, shall be the exclusive property of the Department and may be used by the State at its discretion.

# preparing and submitting a proposal

## General instructions

The evaluation and selection of a Contractor will be based on the information received in a submitted Proposal plus the following optional review methods, at the Department’s discretion: reference checks, Proposer presentations, interviews, demonstrations, responses to requests for additional information or clarification, any on-site visits, and/or best and final offers (BAFOs), where requested. Such methods may be used to clarify and substantiate information in the Proposals.

Failure to respond to each of the requirements in this RFP may be the basis for rejecting a Proposal.

Elaborate Proposals (e.g., expensive artwork), beyond that sufficient to present a complete and effective Proposal, are neither necessary nor desired. Marketing or promotional materials should only be provided where specifically requested. If providing such materials, please indicate which question the materials apply to.

All Proposals must be in English.

## Incurring Costs

The State of Wisconsin and the Department are not liable for any costs incurred by Proposers in replying to this RFP, making requested oral presentations, or demonstrations.

## Submitting the Proposal

### ****Proposal Submission to Department’s secure file transfer protocol (SFTP) site****

**Proposer must submit the following, including all required materials as specified herein:**

* **A completed Appendix 3 – SFTP Access Request form to** ETFSMBProcurement@etf.wi.gov **by the due date in RFP Section 1.9.**

**Note: The Department will provide instructions for Proposal file submission after receipt of Appendix 3 – SFTP Access Request.**

* **All Proposer files, submitted no later than the Proposal Due Date and Time as defined in RFP Section 1.9 Calendar of Events, to the Department’s SFTP server.**
* **Proposer’s submission shall include three (3) file folders:**
	+ **Folder 1 containing all electronic Proposal files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 (or above) format. The Department requires that all files have optical character recognition (OCR) capability (not a scanned image). OCR is the conversion of all images typed, handwritten or printed text into machine-encoded text. The file folder must be labeled “[Proposer Name] PROPOSAL”. Do not include the Cost Proposal in this folder.**
	+ Folder 2 (only required if Proposer includes confidential or proprietary information within its Proposal) containing all electronic Proposal files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 (or above) format **EXCLUDING or REDACTING** all confidential and proprietary information/documents. This folder must be labeled “**[Proposer Name] REDACTED PROPOSAL**.” This is the file that will be submitted to requestors for open records requests. Note that no matter what the method the Proposer uses to redact documents, the Department is not responsible for checking that the redactions match the Proposer’s **Form G – Designation of Confidential and Proprietary Information**. Proposers should be aware that the Department may need to electronically send the redacted materials to members of the public and other Proposers when responding appropriately to open records requests. The Department is not responsible for checking that redactions, when viewed on-screen via electronic file, cannot be thwarted. The Department is not responsible for responding to open records requests via printed hard copy, even if redactions are only effective on printed hard copy. The Department may post redacted Proposals on the Department’s public website in exactly the same file format the Proposer provides, and the Department is not responsible if the redacted file is copied and pasted, uploaded, emailed, or transferred via any electronic means, and loses its redactions in that process. **Do not include the Cost Proposal in this folder.**
* Redact only material the Proposer authored. For example, do not redact the requirement or question the Proposer is responding to, only the answer.
* Do not redact page numbers. Page numbers should remain visible at all times, even if the whole page is being redacted.
* Sign Form G – Designation of Confidential and Proprietary Information only once. Add as many lines/pages as necessary.
	+ **Folder 3 containing Form H – Cost Proposal labeled “[Proposer Name] COST PROPOSAL.” Note: costs provided in Proposer’s Cost Proposal shall NOT be redacted for confidentiality.**

**IMPORTANT:**

* Do not lock or password protect any Proposal folders or files.
* Include Proposer’s name and the RFP number in each folder name and each file name.
* Files must be free of all malware, ransomware, viruses, spyware, worms, Trojans, or anything designed to perform malicious operations on a computer.

### ****Proposal Due Date and Time****

**Proposals posted to the Department’s SFTP site after the date and time specified in Section 1.9 Calendar of Events will not be accepted and will be disqualified. All required parts of the Proposal must be submitted by the specified due date and time; if any portion of the Proposal is submitted late, the entire Proposal will be disqualified. Proposers may request, via an email to the address listed in Section 1.4, the time and date their Proposal was posted to the Department’s SFTP site.**

## Proposal Organization and Format

Proposers responding to this RFP must comply with the following format requirements. The Department reserves the right to exclude any Proposals from consideration that do not follow the required format as instructed below.

### Format Requirements

**Only provide promotional materials if they are relevant to a specific requirement of this RFP. If provided, all materials must be included with the response to the relevant requirement and clearly identified as “promotional materials.” Electronic access to such materials is preferred, which includes web links.**

|  |  |
| --- | --- |
| **FRONT COVER** | **Front Cover Requirements**Include at a minimum the following information:Proposer's firm name;Title of the following: *Proposal Response for the Wisconsin Department of Employee Trust Funds;* RFP ETJ0050*;* and,Proposal submission date.  |
| **TABLE OF CONTENTS** | **Table of Contents Requirements**Include at a minimum the following information:* Listing of each Proposal TAB number;
* Listing of each Proposal TAB description; and,
* Listing of each Proposal TAB page number.
 |
| **TAB 1** | **General Information and Forms**Provide the following information and documents in the following order:TRANSMITTAL LETTER: A signed transmittal letter must accompany the Proposal. The transmittal letter must be written on the Proposer’s official business stationery and signed by an official that is authorized to legally bind the Proposer. Include in the letter:1. Name and address of Proposer’s firm;
2. Name, title and signature of Proposer’s authorized representative;
3. Name, title, telephone number and email address of representatives who may be contacted by the Department if questions arise regarding the Proposal;
4. RFP ETJ0050*;* and,
5. Executive Summary
* Form A – Proposal Checklist
* Form B – Mandatory Proposer Qualifications
* Form C – Subcontractor Information
* Form D – Request for Proposal Signature Page
* Form E – Vendor Information
* Form F – Vendor References
* Form G – Designation of Confidential and Proprietary Information

Current Form W-9 Request for Taxpayer Identification Number and Certification (from the Department of the Treasury, Internal Revenue Service: <https://www.irs.gov/pub/irs-pdf/fw9.pdf>)**NOTE: Form H – Cost Proposal must be submitted as stated in Section 2.3.1 above. Also see Section 8.** |
| **TAB 2** | **Response to Section 5 General Questionnaire, Section 6 Technical Questionnaire** Provide a point-by-point response to each statement in RFP Sections 5 and 6. The response must follow the same numbering system, use the same headings, and address each point or sub-point listed in the applicable RFP. Include the documents requested in Sections 5 and 6 (e.g. organizational chart, code of ethics, audited financial statements, etc.) at the end of the section in your Proposal that corresponds to the Section in the RFP in which the document is requested. Label the document provided with the section number it applies to.  |
| **TAB 3** | **Assumptions and Exceptions**If the Proposer has no assumptions or exceptions to any RFP term, condition, appendix, or form, provide a statement in Tab 3 of the Proposal to that effect.**If the Proposer has assumptions and/or exceptions to any RFP term, condition, appendix, or form, follow the instructions below.** |

### Instructions for Submitting Assumptions and Exceptions

* Regardless of any proposed assumption or exception, the Proposal as presented must include all Services requested.
* If the Proposer cannot agree to a Department Term or Condition in Appendix 2 as written, which is not listed below in Table 4 “No Assumptions and Exceptions Allowed to the following Terms and Conditions”, the Proposer must make its specific required revision to the language of the provision by striking out words or inserting required language to the text of the provision. Any new text and deletions of original text must be clearly color coded or highlighted, which requires the Proposer’s response be printed in color. Proposers shall avoid complete deletion and substitution of entire provisions, unless the deleted provision is rejected in its entirety and substituted with substantively changed provisions. Wholesale substitutions of provisions shall not be made in lieu of strategic edits required to reflect Proposer-required modifications.
* Immediately after a proposed revision, the Proposer shall add a concise explanation concerning the reason or rationale for the required revision. Such explanations shall be separate and distinct from the marked-up text and shall be bracketed, formatted in italics and preceded with the term “[*Explanation:*].”
* All provisions on which no changes are noted shall be assumed to be accepted by the Proposer as written and shall not be subject to further negotiation or change of any kind unless otherwise proposed by the Department.
* Submission of any standard Proposer contracts as a substitute for language in the terms and conditions is not a sufficient response to this requirement and may result in rejection of the proposal. An objection to terms or conditions without including proposed alternative language will be deemed to be an acceptance of the language as applicable.
* The Department reserves the right to negotiate contractual terms and conditions when it is in the best interest of the State of Wisconsin to do so.
* Exceptions to any RFP terms and conditions may be considered by the Department during contract negotiations if it is beneficial to the Department.
* The Department may or may not consider any of the Proposer’s suggested revisions. The Department reserves the right to reject any proposed assumptions or exceptions.
* Clearly label each assumption and exception with one of the following labels, as applicable:
	+ Department Terms and Conditions Assumptions and Exceptions
	+ RFP/Appendix (Excluding Section 8) Assumptions and Exceptions
	+ Cost Proposal Assumptions and Exceptions

### Supplemental Information – IMPORTANT – Department Terms and Conditions

The Department will not allow any assumptions or exceptions by the Proposer to any of the items listed in Table 4 below. Any Proposal with an assumption or exception to any of the items listed in Table 4 may be rejected unless the Proposer recants each such assumption or exception in writing.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ***Table 4 - No Assumptions or Exceptions Allowed*** ***Department Terms and Conditions***

|  |  |  |
| --- | --- | --- |
| Ref. No. | Document | Item/Section |
| 1 | Appendix 2 | 3.0 Legal Relations |
| 2 | Appendix 2 | 12.0 Contract Dispute Resolution |
| 3 | Appendix 2 | 13.0 Controlling Law |
| 4 | Appendix 2 | 15.0 Termination of the Contract |
| 5 | Appendix 2 | 16.0 Termination for Cause |
| 6 | Appendix 2 | 17.0 Remedies of the Department |
| 7 | Appendix 2 | 20.0 Indemnification |
| 8 | Appendix 2 | 32.0 Assignment |

 |

## Multiple Proposals

Multiple Proposals from a Proposer will not be accepted.

## Withdrawal of Proposals

Proposals shall be irrevocable until the Contract is awarded unless the Proposal is withdrawn. Proposers may withdraw a Proposal in writing at any time up to the date and time listed in Section 1.9 Calendar of Events, for the Proposal Due Date or upon expiration of three (3) Calendar Days after the Proposal Due Date and time, if received by the Department. To accomplish this, the written request must be signed by an authorized representative of the Proposer’s firm and submitted to the contact listed in Section 1.4 Procuring and Contracting Agency. If a previously submitted Proposal is withdrawn before the Proposal Due Date, the Proposer may submit another Proposal at any time up to the Proposal Due Date and time.

1. Proposal Selection and Award Process

## Preliminary Evaluation

Proposals may initially be reviewed to determine if Form B - Mandatory Proposer Qualifications are met, to the extent the Department can make that determination, and if all required Proposal components are received. Failure to:

* submit a complete Proposal following the instructions for completing the Proposal specified in this RFP, or
* meet the Mandatory Proposer Qualifications as stated in Form B, or
* provide a complete response to Form H – Cost Proposal

may result in rejection of the Proposal regardless of when the Department makes such discovery. If all Proposers do not meet one or more of the Mandatory requirements, the Department reserves the right to continue the evaluation of the Proposals and to select the Proposal which most closely meets the requirements specified in this RFP. Also see RFP Section 2.4.3 regarding the prohibition of assumptions and exceptions to the clauses in Table 4.

## Clarification Process

The Department may request Proposers to clarify ambiguities or answer questions related to information presented in their Proposal. Clarifications may occur throughout the Proposal evaluation process. Clarification requests will include appropriate references to this RFP or the Proposal. Responses shall be submitted to the Department in writing within the time required. Failure to provide responses as instructed may result in rejection of a Proposal.

## Proposal Scoring

Proposals that pass the preliminary evaluation may be reviewed by an evaluation committee. The evaluation committee may review written Proposals, references, additional clarifications, oral presentations or demonstrations (top scoring Proposers only), site visits and other information to score Proposals. The Department may request reports on a Proposer’s financial stability (this includes the Department’s request for Proposers to furnish audited financial statements), and if financial stability is not substantiated, may reject a Proposer’s Proposal. The Department may request presentations or demonstrations of the Proposer’s proposed products(s) and/or service(s) (top scoring Proposers only), and review results of past awards to the Proposer by the State.

A Proposer may not contact any member of the RFP evaluation committee about the Proposal or any issue related to the RFP.

The evaluation committee's scoring will be tabulated, and Proposals will be ranked based on the numerical scores received.

The evaluation committee reserves the right to stop reviewing a Proposal at any point during the evaluation process and remove the Proposal from further consideration.

## Evaluation Criteria

Proposals will be evaluated based upon the proven ability of the Proposer to satisfy the requirements specified herein in an efficient, cost-effective manner, taking into account quality of services proposed. Proposals will be scored using the following criteria:

Table 5. Evaluation Criteria

|  |
| --- |
| **EVALUATION CRITERIA** |
| **RFP Section** | **Description** | **Points** | **%** |
| 5 | General Questionnaire | 400 | 40% |
| 6 | Technical Questionnaire | 300 | 30% |
| 8 | Cost Proposal | 300 | 30% |
|  | Total | 1000 | 100% |

## Method to Score Cost Proposals

## The lowest Cost Proposal will receive the maximum number of points available for the cost category. Other Cost Proposals will receive prorated scores based on the proportion that the costs of the Proposals vary from the lowest Cost Proposal.

## Oral Presentations, Demonstrations, and/or Site Visits

The top scoring Proposers, based on the evaluation of their written Proposal in the RFP questions (Sections 5 and 6), may be required to participate in oral presentations or demonstrations, interviews and/or site visits to supplement the Proposals, if requested by the Department. This may include presentations to supplement or clarify information in the Proposal or demonstrations of Proposer’s key tools and reporting capabilities, and interviews with key Department staff, evaluation committee members, and Board members.

The Department will make every reasonable attempt to schedule each oral presentation or demonstration at a time that is agreeable to the Proposer. Presentations will be held in Madison, Wisconsin. Failure of a Proposer to interview or permit a site visit on the date scheduled may result in rejection of the Proposer's Proposal.

By submitting a Proposal in response to this RFP, the Proposer grants rights to the Department to contact or arrange a visit with any or all of the Proposer’s clients, Subcontractors, and/or references.

## Best and Final Offer (BAFO)

The Department reserves the right to solicit a BAFO and conduct Proposer discussions, request more competitive pricing, clarify Proposals, and contact references with the finalists, should it be in the State’s best interest to do so. The Department is the sole determinant of its best interests.

If a BAFO is solicited, it will contain the specific information on what is being requested, as well as submission requirements, and a timeline with due date for submission. Any BAFO responses received by the Department after the stated due date may not be accepted. Proposers that are asked to submit a BAFO may refuse to do so by submitting a written response, indicating their Cost Proposal remains as originally submitted. Refusing to submit a BAFO will not disqualify the Proposer from further consideration.

## Contract Award

The evaluation committee may conduct Proposer discussions, clarify Proposals, contact the references of Proposers, and request a Best and Final Offer (BAFO) from Proposers. Information regarding the Proposals will be presented to the Board. One or more Proposals may be presented to the Board for award based on the results of the evaluations of RFP Sections 5 and 6 and Form H cost proposal evaluations. If the evaluation committee conducted oral presentations or demonstrations, the award will be based on the results of the presentations or demonstrations as well. The Proposal(s) determined to best meet the goals of the State’s benefits program may be selected by the Board for further action, including oral presentations or demonstrations to the Board. The Board reserves the right not to award a Contract. If contract negotiations cannot be concluded successfully with the selected Proposer, the Board may negotiate a Contract with another Proposer.

## Right to Reject Proposals and Negotiate Contract Terms

This RFP does not commit the Board to awarding a Contract, or paying any cost incurred in the preparation of a Proposal in response to the RFP. The Board retains the right to accept or reject any or all Proposals or accept or reject any part of a Proposal deemed to be in the best interest of the Board. The Board shall be the sole judge as to compliance with the instructions contained in this RFP.

The Board may negotiate the terms of the Contract, including the award amount and the Contract length, with the selected Proposer prior to entering into a Contract. The Board reserves the right to add contract terms and conditions to the Contract during contract negotiations and subsequent renewals.

##  Notification of Intent to Award

All Proposers who respond to this RFP will be notified in writing of the Board’s intent to award a Contract as a result of this RFP. All decisions and actions under this RFP are solely under the authority of the Board.

##  Appeals Process

Protests (appeals) of the Board’s intent to award a contract must be made in writing and according to the Board’s Policy for Vendor Procurement Appeals located at <http://etf.wi.gov/boards/gov_manual_WDC/vendor-procurement-appeals.pdf>

A vendor who wants to appeal the award must first send a written notice indicating that the vendor wants to appeal the award decision. The notice must be received in the Department office listed below no later than five (5) Business Days after the notice of intent to award is issued. Fax and e-mail documents will not be accepted.

A written notice of intent to appeal, and a formal written appeal, must be filed with:

|  |  |
| --- | --- |
| **Express/Common Carrier Delivery:** | **United States Postal Service Delivery** |
| Deferred Compensation Board  | Deferred Compensation Board  |
| c/o Robert J. Conlin, Secretary | c/o Robert J. Conlin, Secretary |
| Wisconsin Department of Employee Trust Funds | Wisconsin Department of Employee Trust Funds |
| 4822 Madison Yards Way | PO Box 7931 |
| Madison, WI 53705-9100 | Madison WI 53707-7931 |

Following the notice of intent to appeal, the formal written appeal must be submitted to the Board, c/o the Secretary of the Department at the address listed above, within ten (10) Business Days after the notice of intent to award the contract is issued. Appeal rights are lost if no formal appeal is timely received. The formal appeal must state the RFP number, detailed factual grounds for the objection to the Contract award and must identify any sections of the Wisconsin Statutes and Wisconsin Administrative Code that are alleged to have been violated. The vendor can appeal only once per award.

The subjective judgment of evaluation committee members is not appealable. Following Board action, a written decision will be sent to the vendor. The decision of the Deferred Compensation Board regarding any appeals is final.

1. Mandatory Proposer Qualifications

**This section is pass/fail. (0 points)**

**Use Form B – Mandatory Proposer Qualifications to respond.**

The requirements in Form B are Mandatory for any Proposer who submits a Proposal. Failure to comply with one or more of the Mandatory qualifications may disqualify the Proposer. A response to each item in Form B – Mandatory Proposer Qualifications is Mandatory.

**If the Proposer cannot agree to each item listed in Form B, the Proposer must so specify and provide the reason for the disagreement in Tab 3 – Assumptions and Exceptions, of the Proposer’s response (see Section 2.4.2 above).**

Conditions of the RFP that have the word “must” or “shall” describe a Mandatory qualification.

# General Questionnaire

**This section is scored. (400 points total)**

All Proposers must respond to the following by restating each question or statement and providing a detailed written response. Instructions for formatting the written response to this section are found in Section 2 Preparing and Submitting a Proposal.

## Proposer’s Background and General Information

Include the following items, organized as indicated below:

5.1.1 Provide Proposer’s business name, home office, address of the office providing service for the proposed investment option, including telephone number, and email address for the primary contact individual.

Indicate Proposer’s fiduciary classification:

\_\_\_\_\_\_ Bank

\_\_\_\_\_\_ Credit Union

\_\_\_\_\_\_ Insurance Company

\_\_\_\_\_\_ Registered Investment Advisor

\_\_\_\_\_\_ Affiliate of Fiduciary

\_\_\_\_\_\_ Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5.1.2 Give a brief history and description of Proposer including:

1. Principal business;
2. The month and year of SEC 1940 Act registration, if applicable;
3. The month and year Proposer’s firm began offering the proposed investment option;
4. Size of Proposer’s firm;
5. Number of offices and locations; and
6. Number of employees.

5.1.3 Provide an organizational chart that diagrams the different functions (client services, research, trading, back office/operations, etc.) who would be working with the Department. How long has the team been together? Professionals should be identified over their area of responsibility.

5.1.4 Describe the ownership structure of Proposer including but not limited to:

1. Ownership structure including the percentage owned by current active employees and the number of employees participating in such ownership;
2. Parent, subsidiary or affiliated companies or joint ventures;
3. If a subsidiary or affiliate, designate the percentage of the parent firm’s total revenue generated by your organization;
4. If Proposer is a joint venture partner, identify the percentage of ownership and revenues recognized by each partner to the combined association; and
5. If Proposer is a publicly held company, identify major shareholders and corresponding percentages.

5.1.5 Confirm Proposer is not a broker or any third party selling another firm’s funds.

5.1.6 Describe how Proposer is capitalized, including percent of total revenue derived from providing the proposed investment option and percent of total revenue derived from other businesses.

5.1.7 Provide a review of the evolution of the growth of Proposer, highlighting any acquisitions, and/or mergers or other material developments (changes in ownership, personnel, business, etc.) over the past five years.

5.1.8 Describe any pending plans for Proposer’s expansion, relocation, consolidation, merger, acquisition, or sale, as permitted by law.

5.1.9 Provide information about Proposer’s accreditations, certifications or industry designations currently held, and/or has been awarded in the past five years.

5.1.10 Outline and describe the nature of any business relationships, partnerships, or co-ownership partnerships currently in place. Does Proposer have any ongoing responsibilities, financial, strategic or otherwise, that are in place or that are a result of these ties? If so, describe these responsibilities in detail.

5.1.11 Provide proof Proposer is duly licensed to do business in Wisconsin and registered under the appropriate state and federal securities, insurance and banking laws, and if the proposed investment product(s) are qualified to accept s. 457 plan investments. If not licensed, please attach a letter from Proposer’s legal counsel including their opinion as to whether they anticipate any difficulties with Proposer obtaining all necessary federal and state licenses and registrations.

5.1.12 Provide certification that Proposer has not been in bankruptcy and/or receivership within the last five calendar years.

5.1.13 Describe in detail any potential conflicts of interest Proposer may have in managing the WDC account. Include any activities of affiliated or parent organizations, brokerage activities, investment banking activities, or any past or current relationships with Board members and the Department. Include any other pertinent activities, actions, or relationships not specifically outlined in this question.

5.1.14 Has Proposer ever violated a client guideline? If so, please describe the violation and the resolution.

5.1.15 During the past five (5) years, has Proposer, or any officer or principal, been subject to any governmental regulatory or law enforcement agency’s investigation, examination or other proceeding directly involving Proposer, its owners or employees other than such examination or other proceedings as are routinely conducted in the ordinary course of the Proposer’s business? If so, provide a detailed explanation and indicate the current status.

5.1.16 Provide details of any pertinent judgment, criminal conviction, investigation or litigation pending against Proposer or any of its officers, directors, employees, agents of which Proposer has knowledge or a statement that there are no adverse organizational issues. The Board reserves the right to reject a response based on this information.

5.1.17 Describe the levels (U.S. dollar amounts) of coverage for SEC-required (17g-1) fidelity bonds, errors and omissions coverage and any other fiduciary coverage, which Proposer carries, indicating that employees who may perform work under the Contract are covered. List the insurance carriers supplying the coverage.

## Proposer Qualifications

5.2.1 Describe Proposer’s overall business strengths, weaknesses and competitive advantages. Include experience of Proposer in providing investment options to similar institutional investors, as measured by the Proposer’s history of providing such services; and the similarity of the Proposer’s clients to the WDC.

5.2.2 Provide Proposer’s short and long-term strategic business plans. What organizational improvements are planned over the next five (5) years?

5.2.3 Provide a description of any and all FDIC – insured investment options Proposer currently provides to other retirement plans. The response must:

* + 1. Identify the entity;
		2. Identify the length of the contract including the start date; and
		3. Identify the number of accounts and assets held within the option.

5.2.4 Discuss any relationships you may have with the WDC’s third party administrator, Empower Retirement (a division of Great-West Life & Annuity Insurance Company). Do you anticipate any transition or conversion problems? If yes, how would you address them?

5.2.5 Describe the job qualifications required by Proposer for key professionals associated within your FDIC book of business. What personnel changes are planned over the next three (3) years?

5.2.6 Provide a list of the key professionals involved in the proposed investment option. Please specify the following: name, title/responsibilities, years of experience, years at Proposer’s firm, degrees/designations, sponsoring body or school, work location, and where applicable, number of accounts each manages and dollar value of assets under his/her management as of December 31, 2019. Where is their prior employment experience?

5.2.7 Describe what you believe are Proposer’s strengths regarding client service; what distinguishes Proposer’s firm from your competitors?

5.2.8 Who would be the client services relationship manager for the WDC account and where is this person located? How often would the person be available for meetings with the Board? How often could other Proposer personnel, working on the WDC account be available for meetings?

5.2.9 Discuss the nature and type of research and/or educational material produced by Proposer that could be made available to the Board and to plan participants upon requests. Provide samples.

5.2.10 Provide copies of Proposer’s most recent audited financial statements and independent auditor’s management letter. Indicate if the annual report and management letter comments and responses will be available to the Department. Have independent auditors expressed any qualified or adverse opinions in the past five (5) years?

## 5.3 Compliance, Internal Controls, Reports and Disaster Recovery

5.3.1 Provide a detailed summary of Proposer’s compliance process, including the names and titles of senior or key personnel involved in the compliance process.

5.3.2 Enclose a copy of Proposer’s code of ethics.

5.3.3 Provide a detailed summary of Proposer’s internal control structure, and any control procedures that safeguard the integrity of client assets.

5.3.4 Describe customary communications and statements or reports used with clients, their frequency and Proposer’s ability to customize reports to meet client needs. Describe any internet-based information or reporting capabilities Proposer offers. When will reports be available to the Department and what will be included in the reports? Include samples.

5.3.5 Describe Proposer’s disaster recovery and alternate work site plans and relationships with key business partners. Describe the results of any disaster recovery testing, including the amount of time needed to transfer operations to an alternate site, if any. To the extent any of Proposer’s operations are provided through outside vendors, please describe how Proposer intends to assure quality delivery of these services in the event of a failure. Include detail how Proposer’s backup communications system operates in the event electronic communications become inoperable. If Proposer ever had to implement their disaster recovery plan, describe any deficits and how they were resolved.

5.3.6 Provide confirmation that Proposer conducts an annual security risk assessment in accordance with generally accepted principles. Describe in general the Proposer’s last risk assessment and any significant corrective action taken.

5.3.7 Provide a summary of the policies or guidelines Proposer has in place related to security/privacy (e.g. annual training, confidentiality agreement).

5.3.8 If Proposer experienced adverse events in the last year such as phishing, hacking or other similar attacks, describe what happened and how it was resolved. Provide a summary of the Proposer’s policy for security breach management.

5.3.9 Describe whether the Proposer has a cyber-liability insurance policy in place.

# technical questionnaire

**This section is scored. (300 points total)**

The Board seeks to provide WDC participants with an FDIC-insured investment option that will provide interest income and liquidity while preserving principal. The savings option will be liquid; deposits and withdrawals may be made at any time without penalty or restriction. The interest rate for the WDC FDIC- insured investment option is currently stated at the beginning of each calendar month by the Contractor and remains constant for all deposits during that calendar month. Under previous contracts, the interest rate has also been stated by the contracted bank at the beginning of each calendar quarter and remained constant during that calendar quarter. The level of risk (as measured by the standard deviation of a series of quarterly returns) and return is expected to be lower than that of the WDC’s other investment fund options. Investment returns will be strictly interest income.

## Proposed Interest Rate Structure

6.1.1 Describe how the Proposer would provide the WDC’s FDIC-insured investment option. Include information indicating how the interest rate structure would be set and how often. Provide the quarterly returns that would have been credited on the proposed investment product for the last twenty quarters ending December 31, 2019 (five years).

## Minimum Qualifications

Provide positive affirmations regarding the Proposer’s ability to meet the following minimum qualifications: If Proposer is not able to provide a positive affirmation to a qualification, please indicate why.

6.2.1 The Proposer must have an “investment grade” rating from at least two nationally recognized rating agencies.

6.2.2 The Proposer’s proposed interest rate or rates must be indexed to a publicly available rate or benchmark.

6.2.3 The Proposer must have sufficient deposit capacity to accept the proportionate amount of deferrals into this option for the term of the Contract.

6.2.4 The Proposer must place no restrictions or fees on a participant’s ability to withdraw.

6.2.5 The Proposer must have experience with and be willing to accommodate daily valuation.

6.2.6 The Proposer must net out all fees and expenses from the credited rate.

6.2.7 The Proposer must not charge a redemption fee, transfer fee, deferred sales charge, or up-front sales load, or should be willing to waive such fees or charges or refund them to the Board.

6.2.8 The Proposer may not apply or levy a penalty or fee of any type, except for adjustments related to market valuation of a fixed investment product upon liquidation, if the Board, for any reason, finds it necessary to move or transfer funds to protect participants, or if the Board does not renew the Contract.

6.2.9 The Proposer must make information and materials necessary to inform participants of the product available to the Department. The Department shall have final approval of all materials prepared for WDC participants.

6.2.10 Upon request (within five (5) business days), the Proposer must provide the following to the Department in writing: the Proposer's most recently-filed leverage ratio, Tier 1 risk-based capital ratio, total risk-based capital ratio, Prompt Corrective Action (PCA) category, and a statement as to whether or not employee deposits with the Proposer’s firm are entitled to "pass through" insurance coverage under the FDIC.

6.2.11 If the Proposer’s PCA capital category changes from "well capitalized" to “adequately capitalized,” the Proposer must provide this information to the Department in writing ," within ten (10) business days of the change, including the Proposer’s firm's new PCA capital category and whether or not new or rolled-over plan deposits are eligible for "pass-through" insurance coverage under the FDIC.

## Operational, Accounting and Reporting Activities

6.3.1 Provide a list of Internal Revenue Code (IRC) Section 457, 403(b) and 401(k) plan record-keepers with whom Proposer currently does business and indicate Proposer’s reporting capabilities with respect to the record keeping companies’ needs.

6.3.2 Describe how Proposer will provide daily values to the record-keeper, including meeting any time restrictions for same day crediting. Describe Proposer’s ability to deliver information to the record-keeper. Include cut-off times, timing flexibility, and time restrictions.

6.3.3 Provide a sample of the wire instructions used with record keepers for incoming purchases, redemptions, daily deposits, withdrawals, etc. It is anticipated that the record-keeper will provide directions once daily. It is expected that all redeemed amounts requested by a record-keeper will be wired on the same day if instructions are received by Proposer by 8:30 a.m. Eastern Standard Time.

6.3.4 Explain Proposer’s verification procedures to confirm amounts received and how Proposer expects to provide written daily trade and other transaction confirmations to the record-keeper. Describe how Proposer will accept and process all deposits and withdrawals for plan-related transactions including contributions, investment election transfers, rollovers or transfers from other plans, benefit payments including in-service withdrawals and required adjustments.

6.3.5 Describe Proposer’s ability to post incoming assets promptly and accurately. Detail the system used for posting, including cut-off times. It is expected that Proposer will post incoming deposits promptly and accurately with same-day crediting, if instructions are received by Proposer by 8:30 a.m. Eastern Standard Time.

6.3.6 Describe Proposer’s procedures and protocols for processing redemptions/transfers. Include time constraints.

6.3.7 Describe any aspects of Proposer’s processes that may differentiate your firm from your competitors.

6.3.8 Describe how Proposer will maintain financial and accounting records relating to the WDC and supporting evidence pertaining to the Contract in accordance with generally accepted accounting principles and other procedures that may be specified by the Board. Accounting records must be made available during normal business hours to the Board, the Department, the State Attorney General, and the State Controller during the contract period and for ten (10) years from the date of contract termination.

6.3.9 Describe what data would be included on a monthly statement of activity to the record-keeper and to the Department as needed upon request. Include a sample if available.

6.3.10 Describe efforts Proposer would take to ensure that any participants disadvantaged by a processing or pricing error committed by your firm are made “whole."

# Additional Information

**This section is not scored.**

Provide any additional data Proposer believes essential to the evaluation of your RFP response. If there is no additional data you wish to present, state the following: “There is no additional data we wish to present.”

# Cost PROPOSAL

**This section is scored. (300 total points)**

This section describes additional Proposal submission requirements.

Form H – Cost Proposal is the required Cost Proposal document all Proposers must submit. Instructions on how to complete the Cost Proposal are provided in Form H – Cost Proposal. Instructions on how to submit Form H – Cost Proposal are provided in Section 2.3.2 above. The Cost Proposal must be returned to the Department in its original Microsoft Excel format.

The Department reserves the right to clarify any pricing discrepancies related to assumptions on the part of the Proposers. Such clarifications will be solely to provide consistent assumptions from which an accurate cost comparison can be achieved for scoring.

Costs provided in the Contractor’s final Cost Proposal or Best and Final Offer shall remain firm for the initial Contract period.

# Contract Terms and Conditions

The Department will execute a Contract with the awarded Contractor. A Pro Forma Contract is located in Appendix 1 and is attached as an example. The Contract and any subsequent renewal(s) will incorporate all terms and conditions in this RFP, including all attachments, exhibits, forms, appendices, etc., made a part of this RFP, and Contractor’s Proposal. The Department shall draft the Contract.

The Contractor shall be responsible for the performance of any obligations that may result from the Contract and shall not be relieved by the non-performance of any Subcontractor.

## Board and Department Authority

This solicitation is authorized under Chapter 40 of the Wisconsin State Statutes. Procurement statutes and rules that govern other State agencies may not be applicable. All decisions and actions under this RFP are solely under the authority of the State of Wisconsin Deferred Compensation Board. The Department is acting as an agent of the Board in carrying out any directives or decisions relating to this RFP, the Contract and subsequent awards. The Department is the sole point of contact for Board contracting.

## Piggyback Clause

The Department reserves the right to extend the terms, conditions and prices of the Contract to other institutions (such as state, local and/or public agencies) who express an interest in participating in any Contract that results from this RFP. Each of the piggyback institutions will issue their own purchasing documents for purchasing of the goods. Proposer agrees that the Department shall bear no responsibility or liability for any agreements between Proposer and other institution(s) who desire to exercise this option.