

Alachua County 457 and 401a Plan Recordkeeper RFP Scoring

May 6, 2019

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Advisory Services	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Key points to look for in each section	Reasons for scoring
Account flexibility	3	3	5	4	3	3	3	3	Are participants able to review transactions online? Can the account be linked to multiple financial software programs?	NW partners with Wilshire, Empower built their own, and MM uses Envestnet. All others (5) use Morningstar. ICMA fees are lowest.
Fiduciary responsibility / 1:1 Advice	4	4	4	4	4	4	4	4	Does the recordkeeper take fiduciary responsibility for advice provided? Does the recordkeeper partner with any firms to provide the services? Does the recordkeeper provide personal advice from a call center? On site? Does the recordkeeper incentivize employees to recommend managed accounts?	Some bidders offer a plan level fee concession for offering the managed accounts. Beware that they will actively promote it and can be viewed as a conflict of interest. This is an optional service.
Total	7	7	9	8	7	7	7	7		
	70%	70%	90%	80%	70%	70%	70%	70%		
Self Directed Brokerage Accounts	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Key points to look for in each section	Reasons for scoring
Account flexibility	5	3	4	4	3	5	3	4	Are participants able to make transactions online? Can the account be linked to multiple financial software programs?	ICMA-RC, LFG & Voya use TD Ameritrade and AIG & NW use Schwab. Empower, MM & Pru use other external partner firms.
Account security	3	3	3	3	3	3	3	3	Does the recordkeeper have access to the custodial accounts? Is there a authentication process to login? Is there an account recovery process?	Some bidders partner with outside brokerage account providers, while others offer fully-integrated services they control / own.
Fees	3	3	3	5	3	3	1	5	Are the fees competitive?	Lincoln and Voya do not charge an annual account maintenance fee. Prudential charges \$100 annually. Fees on trades vary.
Total	11	9	10	12	9	11	7	12		
	73%	60%	67%	80%	60%	73%	47%	80%		
Plan Level Fees	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Key points to look for in each section	Reasons for scoring
Plan Level Admin Fees - Asset Based (see worksheet)	4	2	5	3	3	2	4	2	What are the fees relative to other respondents?. Who has the lowest? Who has the highest?	ICMA-RC pricing is significantly lower than others. AIG & Pru are next lowest, but 50% higher than ICMA. Others are in a tight range.
Plan Level Admin Fees - Fixed per Head (see worksheet)	4	2	5	3	2	3	4	2	What are the fees relative to other respondents? Who has the lowest? Who has the highest?	ICMA is significantly lower than others. AIG is next, but nearly 30% higher than ICMA. Per head figures may still be too high to convert.
Total	8	4	10	6	5	5	8	4		
	80%	40%	100%	60%	50%	50%	80%	40%		
Participant Level Fees	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Key points to look for in each section	Reasons for scoring
Participant-level transaction fees	4	4	4	3	3	4	3	4	Are the participant level fees for outsourced admin services (above) competitive?	AIG, Empower, ICMA and Voya do not charge for most participant transactions. LFG & Pru have several additional (modest) fees.
Managed Account Fees	3	3	5	4	3	2	2	2	Are the fees competitive?	Nationwide, Prudential and Voya all start at 60 bps (high) and scale down. ICMA-RC is the lowest and it has a hard \$ annual fee cap.
Total	7	7	9	7	6	6	5	6		
	70%	70%	90%	70%	60%	60%	50%	60%		
Principal Protection Option	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Key points to look for in each section	Reasons for scoring
Credit Quality	2	5	2	4	3	3	4	1	What is the wrap provider(s)' overall credit quality? Does the fund have adequate insurance (wrap coverage) to pay book value guarantee?	While ICMA-RC's VT Plus product has a different structure than the General Account products offered by others, the credit risk is high.
Current Crediting Rate (see worksheet)	3	1	3	3	4	5	4	3	How has the crediting rate compared historically to peers?	The investment structure, interest crediting rates and liquidity vary by offering. Focus should be on liquidity/exit terms to provide flexibility.
Fees with Recordkeeping Offset Asset Based %	3	3	4	2	3	5	2	1	Are the fees competitive?	Nationwide's price reduction is far more significant than the other providers. As the incumbent, they do not have to factor in plan transition / implementation costs, which can be significant.
Fees with Recordkeeping Offset Fixed per Head \$	3	3	4	2	3	5	2	1	Are the fees competitive?	The fixed \$ / per head quotes ranked very similar to the asset based % fees scored on the line above, so the scores are the same.
Total	11	12	13	11	13	13	12	6		
	55%	60%	65%	55%	65%	65%	60%	30%		

Scoring Criteria	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Weight
Firm Experience and Qualifications	5.50%	7.00%	8.00%	7.00%	6.00%	9.00%	5.50%	7.00%	10.0%
Service Team and Other Support	2.67%	3.67%	3.67%	4.00%	2.67%	4.33%	3.67%	3.33%	5.0%
Plan Administration	18.75%	16.25%	18.75%	17.50%	21.25%	18.75%	17.50%	18.75%	25.0%
Recordkeeping Systems	1.50%	1.88%	1.63%	1.25%	1.50%	2.00%	1.88%	2.13%	2.5%
Plan Sponsor Services	1.50%	1.83%	1.50%	2.17%	2.00%	1.83%	2.00%	2.17%	2.5%
Participant Experience and Education	10.50%	16.10%	11.90%	12.60%	14.00%	14.00%	11.20%	13.30%	17.5%
Advisory Services	3.50%	3.50%	4.50%	4.00%	3.50%	3.50%	3.50%	3.50%	5.0%
Self Directed Brokerage Account	1.83%	1.50%	1.67%	2.00%	1.50%	1.83%	1.17%	2.00%	2.5%
Plan Level Fees (70% of fees total)	16.80%	8.40%	21.00%	12.60%	10.50%	10.50%	16.80%	8.40%	21.0%
Participant Level Fees (10% of fees total)	2.10%	2.10%	2.70%	2.10%	1.80%	1.80%	1.50%	1.80%	3.0%
Principal Protection Option (20% of fees total)	3.30%	3.60%	3.90%	3.30%	3.90%	3.90%	3.60%	1.80%	6.0%
Total	68%	66%	79%	69%	69%	71%	68%	64%	100%

Overall Evaluation Rank	6	7	1	4	3	2	5	8
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Firm Experience and Qualifications	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Key points to look for in each section	Reasons for scoring
Experience	3	4	5	4	3	5	3	4	What is the experience of the firm? Do they have experience with these particular plan types? What is their experience with these plan types?	ICMA-RC and Nationwide have large prescence in the public plans small-to-mid market. Voya and Pru have many larger public plans.
Fit with target market	2	3	5	3	3	5	2	3	How does the Plan fit in the respondents normal client target? By Participant count? By Plan Type? By Asset Size?	100% of ICMA-RC's plans are public 457 and 401a. Pru has much larger, but far fewer 457 plans. AIG has mostly 403b Plans. The other respondents are more focused on 401k and 403b plans.
Assigned team quallifications	3	3	2	5	3	3	4	3	Number of employees that are dedicated to retirement plans. Average number of clients serviced for critical positions. How much time is dedicated to the client?	ICMA-RC has fewer overall plans and also fewer employees. Pru has more employees per plan, because they serve larger plans.
Service guarantees	3	4	4	2	3	5	2	4	Are there services guarantees in place? What are the guarantees, and how are they measured?	All bidders have service level commitments as part of their offering, some are more well defined than others. These are negotiable.
Total	11	14	16	14	12	18	11	14		
	55%	70%	80%	70%	60%	90%	55%	70%		
Service Team and Other Support	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Key points to look for in each section	Reasons for scoring
Client service experience	2	4	4	4	2	4	3	3	How long have the individuals been servicing in their current roles? Are there any plans to change the roles of the individual service team members?	MassMutual rep is fairly new. ICMA-RC lead is very good. AIG and Voya team models seem to focus more on sales than service.
Current client workload	3	4	2	4	3	4	5	3	Does the service team have capacity to meet client needs? Has there been a significant change in their current client base?	Lincoln, Prudential and Empower Relationship Managers have smaller client caseloads as measured by the # of clients they serve.
Availability to serve clients	3	3	5	4	3	5	3	4	Do they have the ability to service this Plan Sponsor?	We awarded Nationwide and ICMA-RC higher scores here to reflect working relationships already in place. AIG has reps in Gainesville.
Total	8	11	11	12	8	13	11	10		
	53%	73%	73%	80%	53%	87%	73%	67%		
Plan Administration	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Key points to look for in each section	Reasons for scoring
Ability to service loans	3	3	3	3	5	3	3	3	Can the recordkeeper maintain the current loans? Can the recordkeeper issue new loans according to best practices?	Loan Initiation and Maintenance fees vary. MassMutual does not charge extra for loans. All offer repayments via payroll or ACH.
Ability to service hardships	4	4	4	4	4	4	4	4	Can the recordkeeper qualify and pay out hardship withdrawals and / or hardship loans?	Universally available based on plan rules.
Ability to service QDRO's	4	2	4	3	4	4	3	4	Can the recordkeeper review and process QDRO requests?	LFG & Pru charge \$500, Empower & ICMA \$250. AIG, MassMutual, NW & Voya have no charge. Empower does not qualify DROs.
Ability to maintain beneficiaries	4	4	4	4	4	4	4	4	Can the recordkeeper maintain beneficiaries online? Will they accept a file at conversion for existing beneficiary elections?	All bidders can handle ongoing, but need to confirm they will take them from current recordkeeper or client. Confirm required format.
Total	15	13	15	14	17	15	14	15		
	75%	65%	75%	70%	85%	75%	70%	75%		
Recordkeeping Systems	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Key points to look for in each section	Reasons for scoring
Up-to-date platform	3	4	3	3	3	4	4	4	Is the platform updated regularly? Does the platform have state of the art functions? Do platform updates disturb participant access?	AIG & MM have monthly updates, Empower 5 times per year, Voya 3 and LFG 2 times per year. NW is rolling out a Mobile App in 2019.
Independence	4	4	4	3	3	4	3	4	Is the platform proprietary or purchased? Does the recordkeeper own the rights to the platform? Does the recordkeeper lease out their platform?	Lincoln leases DST's system. Voya uses Omni and relies on FIS for regulatory updates.
System Flexibility	2	4	3	2	4	4	4	4	Can the system adapt to client provisions? Does the system allow custom documents? Are plan document updates or amendments easily done? Can they administer opt out? Employer directed assets?	All systems are flexible and can easily support the current plan design. AIG & LFG can only refund revenue sharing quarterly.
System Security	3	3	3	2	2	4	4	5	Does the recordkeeper have a disaster recovery process? Does the recordkeeper have multi-authentication login processes? Does the recordkeeper proactively address cyber security threats?	LFG does not follow SOC 2. MassMutual replied 'NA'. NW & Pru are working on SOC 2 now. Voya is the only one that has SOC 2 now.
Total	12	15	13	10	12	16	15	17		
	60%	75%	65%	50%	60%	80%	75%	85%		
Plan Sponsor Services	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Key points to look for in each section	Reasons for scoring
Level of outsourcing available	3	3	3	4	4	3	4	4	Are all services available through the recordkeeper? Are their restrictions placed on the plan sponsor? How much time does the plan sponsor have to commit to support the plan?	All bidders can outsource administrative functions based on the ability to share required data. Empower does not qualify DROs.
Compliance	3	4	3	4	4	4	4	4	Do they offer all the necessary compliance services to support testing based on plan design?	Scoring for public entity plans is fairly neutral. A few have slightly higher scores based on their more diverse clients' plan types.
Sponsor Website	3	4	3	5	4	4	4	5	Intuitive website? Number of services that can be performed online, flexibility of website (i.e. mobile, different browser compatibility, etc.) plan sponsor reporting, retirement readiness scoring / tracking / reporting.	The providers that have more non-public, 401(k) / 403(b) plans tend to have more robust participant websites.
Total	9	11	9	13	12	11	12	13		
	60%	73%	60%	87%	80%	73%	80%	87%		
Participant Experience and Education	AIG	Empower	ICMA-RC	Lincoln	MassMutual	Nationwide	Prudential	Voya	Key points to look for in each section	Reasons for scoring
Behavioral Finance / Retirement Readiness	3	5	3	4	4	4	3	5	Does the recordkeeper include behavioral finance concepts into its education materials and tools? Does the system and educational counselor include all plans in participation communication?	Empower and Voya have health care cost estimator and focus on monthly income. Voya 'My Orange Money' get high marks.
Communications	3	5	4	4	4	4	4	5	Forms of communications offered. Flexibility of those communications.. Communications that are included in the standard pricing. Ability to provide custom communications? Assigned Communications representative?	All companies provided written samples of core communications services, which include print and digital campaigns.
Online services	3	5	4	3	3	4	3	5	Intuitive website? Number of services that can be performed online, flexibility of website (i.e. mobile, different browser compatibility, etc.), SS on / off, includes all plans in calculators.	ICMA & NW have public pension formulas hardcoded into retirement projection calculators. Empower & Voya have best interactive tools.
Voice Systems	4	4	2	4	4	4	4	2	Number of services open to use by telephone. Do they offer participant help services? Is it proprietary or outsourced. Amount of staff used for phone services. Multilingual?	Voice systems offer very similar functionalities. MM, LFG and Voya reported higher call abandonment on VRU. AIG was explainable.
Onsite Representative / Education Model	2	4	4	3	5	4	2	2	Can they offer an onsite representative? How is the rep paid? Is the rep incented to drive participants to specific products or services? Is the bidder willing to consider interviewing the current onsite representative?	MM is the most fleixible. While ICMA-RC & NW provide a fair amount of coverage, they pay reps extra to promote managed accounts.
Total	15	23	17	18	20	20	16	19		
	60%	92%	68%	72%	80%	80%	64%	76%		