



CITY OF ROCKVILLE  
ROCKVILLE, MARYLAND

**Addendum #1**  
**Request for Proposal (RFP) No. 02-24**  
**INVESTMENT ADVISORY AND CONSULTING SERVICES**  
**December 14, 2023**

**ATTENTION:**

The following addendum is being issued to amend and clarify certain information contained in the above named RFP. All information contained herein is binding on all Bidders who respond to this RFP. Specific parts of the RFP have been amended. Bidders are required to acknowledge receipt of the addendum by signing in the appropriate space at the end of the addendum. Failure to do so may subject your bid to disqualification. No provided answer to a question may in and of itself change any requirement of the RFP. The following revisions /deletions / additions are listed below; new language has been double underlined and marked in red bold (ex: **new language**) and language deleted has been marked with a double strikeout (ex. ~~language deleted~~).

**QUESTIONS & ANSWERS**

**INVESTMENT ADVISORY SERVICES QUESTIONS (*italics*) + CITY RESPONSES (red)**

1. *How many hard copies of plan investment fiduciary reports will be required for quarterly delivery?* **Zero, we promote electronic reporting.**
2. *Is there expectation to deliver these copies in advance? If so how many days?* **N/A**
3. *What is the current cash flow and corresponding dollar amounts of annual employer contributions?* **Employer contributions are made once per year, usually in September. The Annual Pension Plan Actuarial Valuation report provides a history of the employer contributions in Appendix 2 "Summary of Contributions" from 2011 through 2023.**
4. *How are the annual dollar contributions amounts determined?* **The city's annual contributions are determined by the actuary.**
5. *Does the City expect the same amount in future years?* **No, amounts vary per annual actuarial valuation.**
6. *When does the current custodian contract expire?* **Current engagement expires in 2025 but can be renewed for two additional five-year periods.**
7. *What is the expected date for the RFP process to select the next custodian?* **TBD**
8. *Would the City permit a new advisor to recommend and replace current custodian, or it that service retained under a separate contract?* **No, the city is not looking to replace the current custodian.**
9. *When was the last time the City performed an asset liability study?* **The City's last actuarial valuation was performed in November 2023 and can be found here -> [Retirement Board | Rockville, MD - Official Website \(rockvillemd.gov\)](#). The actuarial valuation is updated every year.**
10. *Can you describe the asset/liability process? Does the actuary prepare the projected cash flows?* **Please review the Pension Plan Actuarial Valuation for asset/liability analysis, assumptions, actuarial methodology, etc. [Retirement Board | Rockville, MD - Official Website \(rockvillemd.gov\)](#)**

11. *How many manager searches have been conducted each year, over the last 3 years? Please identify the name of manager replaced and date performed.* The current advisor conducts manager searches as needed. Please see meeting agendas for last three years. Manager searches are shown as separate agenda items and can be found on the Retirement Board website. [Retirement Board | Rockville, MD - Official Website \(rockvillemd.gov\)](https://www.rockvillemd.gov/RetirementBoard)
12. *Has there been any s in the IPS since September 3, 2021?* No.
13. *Does your current investment consultant meet your desired reporting expectations?* Yes.
14. *If your current performance reporting format does not meet your needs, can you please identify what modifications, improvements and/or information format/content is desired?* N/A
15. *Does the City currently utilize CITs?* No.
16. *Are any of the funds in the Plans' lineup currently on watch or slated for removal? If yes, which ones?* For the Pension Plan, the Retirement Board recently replaced the Mellon Capital Bond Market Index fund and the BlackRock Strategic Income Opportunities fund with the BlackRock U.S. Debt Index fund.
17. *We noted "MFD-V Outreach Program- It is the intent of the City of Rockville to increase opportunities for minority, female, disabled, or veteran (MFD-V) owned businesses to compete effectively at supplying goods, equipment, and services to the City, within the constraints of statutory purchasing requirements, departmental needs, availability, and sound economic considerations." on page 1 that seeks encouraging MBE participation. Could you please send us or direct us to the website current MBE/SBE policies/goals in place for the procurement division associated with the City?* A MFD-V goal has not been established for this project. Information on vendor outreach can be found here: <https://www.rockvillemd.gov/231/Procurement>.
18. *It is our intent to submit our bid with MBE subcontractor.*
  - a. *Is the MDOT certification acceptable?* Yes.
  - b. *Should we include a copy of our subcontractors MDOT certification in our proposal?* You may include the MDOT certification with the proposal, however it will not impact the scoring of the proposal.
19. *If you receive two proposals with similar cost and capability; however, one has meaningful (20% -30%) MBE/DBE professional service participation that enhances the diversity of the team and provides built-in professional fiduciary peer review ("checks and balances"), and one does not, which of the proposals would receive more favorable consideration for contracting?* A MFD-V goal has not been established for this project. The proposals will be evaluated based on the criteria set forth in Section III of the RFP, pages 12-15.
20. *Does the current investment advisor utilize a certified Diverse Business Enterprise subcontractor (MBE/WBE)?* No.
21. *If yes, please provide the name, scope of services provided by the certified Diverse Business Enterprise subcontractor, and the total fees received by the subcontractor in the current contract cycle.* N/A
22. *Can you please disclose the number, names, and title of the proposal evaluation committee?* The evaluation committee will be comprised of Stacey Webster, the City's Chief Financial Officer and Executive Secretary to the Retirement Board, one Finance staff member (TBD), and at least one current member of the Retirement Board (TBD).
23. *Is the committee same for evaluating both the DB and DC plan proposals?* Yes.
24. *If no, please provide the list of names, and title of the proposal evaluation committee for both plans separately.* N/A
25. *Will the same proposal evaluation committee be responsible for ongoing plan oversight? If different, please indicate number, name/title of County's party or parties responsible for ongoing plan oversight.* The seven-member Retirement Board is responsible for oversight.

26. We noted on pg 6, SUBMITTAL CHECKLIST, bullet 7, "If you are an entity (limited liability partnerships, corporations, limited partnerships, limited liability companies, limited liability limited partnerships, business trusts, real estate investment trust and trade name filings), is the legal name of your company listed with the State of Maryland Department of Assessments and Taxation and in good standing? You may check by going to: <https://dat.maryland.gov/Pages/default.aspx>". If a vendor has a "Not in Good Standing" rating, knowing we are quickly approaching holiday season, Is there some flexibility to extend the deadline prior to contract award? **No.**
27. What do you think are the top two most important characteristics of an investment consulting firm? **Transparency in recommendations and ability to communicate complex information to a variety of audiences.**
28. How many hard copies of plan investment fiduciary reports will be required for quarterly delivery? **Zero, we promote electronic reporting.**
29. How long has the current consultant been providing services? **10+ years**
30. Is the current consultant allowed to bid in this RFP? **Yes.**
31. What is the total dollar amount of fees paid to the current or previous consultant for the last two (2) years? Was it a fixed fee or is it percentage of assets? **Based on the last contract the fixed fee was just under \$100,000 per year for non-discretionary investment advisory and consultant services.**
32. Can you tell us why the RFP is being issued – is it renewal or other reasons? Please explain. **Current contract is expired.**
33. Who is the current recordkeeper? **Lincoln Retirement Services Company, LLC.**
34. When does the current recordkeeper contract expire? **Current contract expires in 2025 but can be renewed for two additional five-year periods.**
35. When was the last Recordkeeper RFP completed? **The RFP was conducted in 2019.**
36. In what year is the next Recordkeeper RFP anticipated? **TBD**
37. What are the City's expectations for the consultant regarding the recordkeeper search process? Will it include drafting, and evaluating the recordkeepers' RFP responses? **The city expects the consultant to provide an advisory role when needed, not drafting and evaluating responses.**
38. Is the City seeking 3(21) co-fiduciary services or 3(38) discretionary? **TBD. The city currently operates under a co-fiduciary relationship where all investment decisions must be directed by a majority of the Retirement Board.**
39. Has the City considered 3(38) discretionary services in order to further mitigate their fiduciary liability related to sponsoring the plan? **Yes, all options are being considered via this engagement.**
40. Would the City be willing to consider and receive pricing for 3(38) discretionary services to further help to mitigate their fiduciary liability? **Yes.**
41. Does the committee receive fiduciary education by the consultant currently? **The Retirement Board receives education on an as needed basis.**
42. If yes, what is the frequency? **As needed or requested by Retirement Board members.**
43. We noted in the RFP document on Pg 12-point E regarding Training which stated "Training for Retirement Board on various investment topics, as requested". Could you please provide a brief description of the expectations from consultants on the depth of content and frequency of these trainings? **Training is as needed, and the depth of content and frequency really depends on the topic and the knowledge and background of the Retirement Board members. Over the past several years there has been limited training.**
44. Is there anything you would like the new consultant to do differently, improve and/or provide additional services? **Additional assistance with transferring funds between managers and setting up new accounts. There are no full-time Rockville staff for the retirement funds and the administration becomes burdensome during busy times of the year.**
45. Are advisory services or managed accounts offered to plan participants now? If yes, please provide name of advisor company, fee structure and description of services. If the service isn't offered in all the plans, will it be offered in all plans on a go-forward basis? **Only target dates funds are offered to**

- participants. Please see quarterly investment reports for more information on the participation in the target date funds. [Retirement Board | Rockville, MD - Official Website \(rockvillemd.gov\)](https://www.rockvillemd.gov/retirement-board)
46. Can you please identify amount of plan assets in risk-based/managed account portfolios? N/A
  47. We identified the Thrift Plan Investment Policy Statement from The City's website link provided on Pg 9 of the RFP document, which is last d as of May 29, 2015. Is this the most recent d copy? If not, can you please provide the latest copy? No, the latest version was adopted on November 19, 2021. The webpage has been updated. [Retirement Board | Rockville, MD - Official Website \(rockvillemd.gov\)](https://www.rockvillemd.gov/retirement-board)
  48. We identified your current investment consultant performance report in the meeting minutes link provided in the RFP document on Pg 9. Does your current performance reporting format meet your needs? If not can you please identify what modifications, improvements and/or information format/content is desired? The current report format appears to meet the needs of the Retirement Board.
  49. Does the City currently utilize CITs? No.
  50. Are any of the funds in the Plans' lineup currently on watch or slated for removal? If yes, which ones? For the Pension Plan, the Retirement Board recently replaced the Mellon Capital Bond Market Index fund and the BlackRock Strategic Income Opportunities fund with the BlackRock U.S. Debt Index fund.
  51. Has the City's Pension Board Committee conducted an in-depth target date fund review that meets DOL standards? A target date fund review is scheduled for the March 2024 Retirement Board meeting.
  52. If yes, what date was performed? N/A
  53. Has the City conducted a fee benchmarking review? We have not conducted a comprehensive fee benchmarking review for the past 5+ years. Fees are reviewed on an ad hoc basis when fund changes are being considered. If yes, what date last performed? N/A
  54. Has the City conducted a review and/or a modification of the investment menu? This is an ongoing process with the current investment advisor and Retirement Board.
  55. If yes, what date it was last performed? Investment options are reviewed on an ongoing basis, and recommendations are made at Retirement Board meetings.
  56. Please provide a brief description of the modifications made to the investment menu. Please review past meeting agendas and minutes for modifications.
  57. What is the name of stable value product and current interest rate and guaranteed interest rate? Lincoln Stable Value Fund, with a 2.9% guarantee.
  58. Can you please provide a copy of the recordkeeper's administrative report or latest annual plan review report from the most recent quarter? Our recordkeeper provides internal staff with quarterly scorecards of service level guarantees that cover processing accuracy, timeliness, customer service, compliance, and reporting.
  59. How do you measure success of a DC Plan Consultant (annually/quarterly) and what are the key performance indicators? Retirement Board reviews DC plan investment options on a quarterly basis for investment performance (measured against appropriate benchmarks), participate selection/asset allocation, and relative fees.
  60. Is there a financial wellness program available in place for participants today? Yes, Lincoln Retirement Services Company, LLC., provides participants with education and financial wellness initiatives.
  61. Would you be interested in the consultant providing a review of current participant education, and plan communication materials provided by the recordkeeper? Not at this time.
  62. How long has the current consultant been in this role? 10+ years
  63. Is the current consultant allowed to bid in this RFP? Yes.
  64. What is the total dollar amount of fees paid to the current or previous consultant for the last two (2) years? Was it a fixed fee or is it percentage of assets? Based on the last contract the fixed fee was just under \$100,000 per year for non-discretionary investment advisory and consultant services.
  65. Can you tell us why the RFP is being issued – is it standard renewal or other reasons? Please explain. Current contract is expired.

66. *Is there anything you would like the new consultant to do differently, improve and/or provide additional s.* The Board has been pleased with the services of the current advisor. From a staff perspective, we would like to see additional assistance with transferring funds between managers and setting up new accounts. There are no full-time Rockville staff for the retirement funds and the administration becomes burdensome during busy times of the year.
67. *Can I please obtain current performance reports and/or fund lineups for all the plans?* Yes, these are available on the Retirement Board website under meeting agendas. [Retirement Board | Rockville, MD - Official Website \(rockvillemd.gov\)](#)
68. *Are you able to disclose your current consultants annual fee for all the plans?* Based on the last contract the fixed fee was just under \$100,000 per year for non-discretionary investment advisory and consultant services.
69. *Is the current consultant invited to rebid?* Yes.
70. *How many manager searches have been conducted each year, over the last 3 years for each Plan?* The current advisor conducts manager searches as needed. Please see meeting agendas for last three years. Manager searches are shown as separate agenda items and can be found on the Retirement Board website. [Retirement Board | Rockville, MD - Official Website \(rockvillemd.gov\)](#)
71. *When was the last time an RFP for recordkeeping/third-party provider services was conducted?* The RFP was conducted in 2019, and contract was signed in 2020.
72. *When was the last time you conducted a target date fund review, fee benchmarking review, and/or an investment menu review for the Defined Contribution and Deferred Compensation Plans?* All investment options for the deferred compensation plans are regularly reviewed by the current advisor and the Retirement Board. Any changes to the investment options must be approved at a Retirement Board meeting by a majority of members. These changes would be shown as separate agenda items and can be found on the Retirement Board website. [Retirement Board | Rockville, MD - Official Website \(rockvillemd.gov\)](#). A target date fund review is scheduled for the March 2024 Retirement Board meeting.
73. *Is the Board expecting to have an Asset Liability study done in 2024? When was the last study conducted? Can you please provide a copy of the most recent study?* The City's last actuarial valuation was performed in November 2023 and can be found here -> [Retirement Board | Rockville, MD - Official Website \(rockvillemd.gov\)](#). The actuarial valuation for the Pension Fund is updated every year.
74. *Is the Retirement Board meeting schedule for 2024 available?* Yes.
75. *If so, can you please provide it?* March 13, May 17, September 20, November 15.
76. *Will all Retirement Board meetings be held in person?* Yes, but sometimes there is a remote option if a member requests it.
77. *Can you please advise how many full-time employees are dedicated to working on the Plans?* Zero full-time employees are dedicated to the retirement plans. The Chief Financial Officer is the Executive Secretary to the Board per the City Code and assists with operational and administrative functions.
78. *Could the city please provide the current incumbent fee?* Based on the last contract the fixed fee was just under \$100,000 per year for non-discretionary investment advisory and consultant services.

**ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME IN THE REQUEST FOR PROPOSAL (RFP).**

**Additionally, please be sure to submit all required forms with your proposal per this addendum and the solicitation instructions.**

**ACKNOWLEDGE RECEIPT OF ADDENDUM NO. 1 BY SIGNING BELOW AND RETURNING A COPY OF THE ADDENDUM WITH YOUR PROPOSAL OR ACKNOWLEDGING IN YOUR PROPOSAL.**

**ISSUED BY: TJ ELLISON, PRINCIPAL BUYER, 12/14/2023.**

**NAME OF BIDDER: \_\_\_\_\_**

**PROPOSAL DUE DATE: 10:00 A.M. (ET), FRIDAY, JANUARY 12, 2024**