

REQUEST FOR PROPOSALS

**METROPOLITAN TRANSIT AUTHORITY OF HARRIS
COUNTY, TEXAS**

DEFINED CONTRIBUTION PLANS:

457(B) DEFERRED COMPENSATION PLAN

401(A) DEFINED CONTRIBUTION PENSION PLAN

401 (A) SAVINGS PLAN

(COLLECTIVELY “THE PLANS”)

SECTION 1. PURPOSE

It is the intent of the Defined Contribution Plans Committee (the “Committee”) to seek proposals from qualified firms for a Plan Fiduciary (or Investment Consultant or Advisor) to provide regulatory compliance and consulting on investments in the Plans for eligible employees and retirees (including their eligible spouses and dependents) of the Metropolitan Transit Authority of Harris County, Texas. Further, it is the intent of the Committee that the Plans be administered and maintained in full compliance with all applicable state and federal laws and regulations governing such plans.

SECTION 2. BACKGROUND

The Metropolitan Transit Authority of Harris County, Texas (METRO) is a governmental entity with approximately 4,300 active employees. METRO is exempt from the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

In order to recruit and retain qualified personnel, METRO offers a 457(b) Deferred Compensation Plan and 401(a) Defined Contribution Pension Plan to its employees. The 401(a) Savings Plan is closed to new participants and contributions.

As of November 30, 2021, the asset value for the Plans were: 457(b) Deferred Compensation Plan \$138,323,788; 401(a) Defined Contribution Pension Plan \$56,810,654; and 401(a) Savings Plan \$1,839,109.

SECTION 3. SCOPE OF SERVICES

The firm selected will be required to provide the services described below as minimum deliverables:

1. Advisor is expected to provide guidance with respect to plan design optimization, Investment Guideline review, communication/education strategies along with recommendations related to new fund line-up selection.
2. Participation by the Advisor at all meetings will be required. The Advisor is expected to help facilitate these meetings and provide an update on market conditions, status of the investments held by the Plans, financial results, and other relevant topics to be disclosed to the Committee. Ad hoc meetings may be held when necessary, at the request of the Committee or Advisor with mutual consent.
3. The Advisor is to provide specific investment advice and recommendations to the Committee; however, the responsibility for investment decisions of assets held in the retirement plans will be held by the Committee. The Advisor will not be granted discretionary authority or discretionary authority other than fiduciary responsibility for investment advice. Therefore, the following services should be rendered at the initial point of engagement & periodically thereafter:

- a. Advise the Committee concerning changes to the existing investment guidelines that you would consider beneficial to the continued viability and success of plans under administration.
 - b. Full transparency related to revenue sharing and any other payment agreements between fund companies and Advisor.
 - c. Analysis of various share classes available to plan participants & specific recommendations related to investment decisions.
 - d. Communication with the Committee regarding selection, monitoring and replacement of investment managers and investment options offered by the retirement plans.
 - e. Coordinate investment related changes with the record-keeper timely & accurately.
4. With the support and assistance of Human Resources & Benefits staff, formulate on-going & targeted communication & education strategies.
 5. Act as an effective liaison between the Committee and service providers to ensure highest level of service delivery, cost competitive pricing, issue resolution (when required) and new product/service recommendations to best manage the Plans.
 6. If requested, assist the Committee in conducting an RFI/RFP comparing plan sponsor/plan participant support from incumbent vendors to that of market leading providers. Present findings & recommendations to the Committee.
 7. Provide the Committee with information required to comply with Internal Revenue Service and Department of Labor reporting requirements for the various plans, if needed.
 8. Provide the Committee with legislative, regulatory and industry updates to provide fiduciary stewardship and to assist in meeting all compliance requirements.
 9. Provide general benchmarking information related to plan design, plan fees, best practices, etc., segmented by specific industry sector, competitor landscape and/ or relevant survey results.

SECTION 4. REQUIRED INFORMATION

Questions

- 1) Firm Name
- 2) Address
- 3) Contact for this RFP
- 4) Provide a brief history of your firm. Include the year organized, the ownership structure, the core business and the year investment advisory services were first offered.
- 5) What is the total number of employees in the firm?
- 6) Of those employees, identify those who are Investment Advisory Representatives?
- 7) What percentage of revenue is from retirement plan investment advisory services?
- 8) Total number of clients – (Government 401(a)/457(b) plans).
- 9) Please provide the total number of clients lost over the past 12 months.

- 10) Please list the types of services your firm offers for retirement plans.
- 11) How does your firm define and measure the success of retirement plan consulting relationships?
- 12) Please list the federal, state, and other regulatory agencies with which your firm is licensed or registered, and the type of license held.
- 13) Is your firm bonded/insured? If so, to what amount?
- 14) Please provide a current list of public sector clients.
- 15) Describe your service model to our plan (staff, responsibilities, interactions with our plan, frequency of in-person meetings, frequency of conference calls, team dynamics)?
- 16) Describe your firm's approach to 401a/457 plan investment consulting?
- 17) What investment guideline support do you offer?
- 18) What tools does your firm use to evaluate investment funds and managers?
- 19) Do you have an investment watch list and what is your termination recommendation process?
- 20) What actions do you take when investments are not performing?
- 21) Describe your vendor benchmark service and process?
- 22) What experience do you have with our current service provider, Empower Retirement?
- 23) What plan design change initiatives have you led with your clients in the past 24 months? (text)
- 24) Describe your firm's training, education, and support for a client's Committee members?
- 25) Describe your fiduciary responsibility to our plan participants?
- 26) Describe potential conflicts of interest that may arise with the proposed advisory relationship?
- 27) Does your firm have a written policy for addressing conflict of interest?
- 28) Please describe your firm's data security measures.
- 29) Please describe your firm's disaster recovery plan.