



STATE OF WISCONSIN
Department of Employee Trust Funds
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SECRETARY

Wisconsin Department
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Date: May 1, 2019

To: All Vendors

Subject: **Request for Information ETI0048 Wisconsin Deferred Compensation Program:
Review of Stable Value Fund Options**

Response Due: June 7, 2019 by 2:00 PM CDT

The Wisconsin Department of Employee Trust Funds (ETF) on behalf of the Deferred Compensation Board (Board) is issuing this Request for Information (RFI) to solicit input from interested parties for a possible upcoming Request for Proposals (RFP) to identify independent consulting firms capable of providing a review of stable value fund options.

The following attachments are included with this cover page:

- RFI ETI0048
- Designation of Confidential and Proprietary Information Form

Thank you in advance for your response.

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Wisconsin Department of Employee Trust Funds

Request for Information ETI0048

Wisconsin Deferred Compensation Program: Review of Stable Value Fund Options

1. Request for Information Introduction

1.1. Introduction

The Wisconsin Department of Employee Trust Funds (ETF) administers various benefit programs available to state and local public employees, including the Wisconsin Deferred Compensation Program (WDC). ETF works with nearly 1,500 employer partners and serves 622,000 employees and retirees. More than 63,000 employees working for the State of Wisconsin and 900 local public employers have invested just over \$5.2 billion in the WDC as of March 31, 2019.

The purpose of this Request for Information (RFI) is to solicit information from qualified independent consulting firms that possess the resources and expertise to evaluate stable value fund options.

- Responses to this RFI will not be returned and will become ETF's property upon submission to ETF.
- Responses are voluntary and shall not bind either the respondent or ETF in any way.
- This RFI is issued solely for information and planning purposes and does not constitute a solicitation.
- Responses to this RFI are not an offer and cannot be accepted by ETF to form a binding contract.
- ETF will not respond with answers to any questions submitted as part of your response; include any assumptions you make in your response.
- Responses to this RFI will be reviewed by ETF and may be used to further develop, change, alter or delete specifications, terms or conditions within a future solicitation.
- Providing a response to this RFI is not a prerequisite to submitting a proposal should ETF offer such an opportunity in the future. The contents of responses to this RFI will not be considered in the review or evaluation of future bids or proposals.
- ETF is not liable for any cost incurred by any vendor who responds to this RFI.
- ETF reserves the right to ask for clarification of any responses.

1.2. Background

By Wisconsin Statute and Administrative Code, the Board is responsible for selecting and monitoring the investment options offered under the WDC Program. The WDC is an Internal Revenue Code (IRC) s. 457 supplemental retirement savings plan for Wisconsin public employees. It is unbundled, meaning that recordkeeping and investment options are separated. The firm holding the administrative recordkeeping contract does not currently provide any investment options for WDC participants. For additional WDC statistics, please refer to WDC Fact Sheet: [ET-8904](#).

WDC investment options range from conservative fixed and bond funds to more aggressive mid/small cap and international equity funds. The WDC also offers a self-directed account

option through Charles Schwab, which provides asset allocation service and a managed account services. WDC participants who elect to enroll in the WDC's asset allocation service design and maintain their own diversified investment portfolio for their WDC assets. The managed accounts service is also optional and investment oversight is provided by Advised Assets Group, LLC. Please refer to the [WDC website](#) for detailed information on WDC investment options.

The Board and ETF take a very active role in investment product decisions. ETF assists a separate advisory-only subcommittee of the Board, the Investment Committee, in reviewing investment options. The investment performance of current WDC offerings is reviewed at least twice per year 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.

The Board determines which investment options will be offered by the WDC. Fixed income or guaranteed principal options are typically selected through a competitive bid process. Mutual fund options are typically selected through a search process by utilizing specific criteria for each option type, as established by the Board. Great-West Financial, an affiliate of Empower Retirement, the WDC's Third Party Administrator, is responsible for providing expertise to the Board and ETF in the areas of monitoring and evaluating investment companies and products and is required to provide analysis and recommendations regarding retaining, removing and adding investment products.

1.3 The WDC Stable Value Fund

A stable value fund (SVF) option has been provided to WDC participants through an agreement with Galliard Capital Management since 1998. It is an extremely popular investment option. The SVF is regularly the first- or second-largest option in terms of assets, and in the top five in number of participants. As of March 31, 2019, more than 25,500 WDC participants held nearly \$668,305,500 in the SVF.

In an effort to ensure the SVF offered to WDC participants is competitive and best meets the WDC's needs, the Board seeks to learn more from independent consulting firms related to their interest in and ability to provide an analysis of SVF options. This work is likely to include reviewing existing SVF options and evaluating the suitability of other SVFs and a custom SVF proposal received by the WDC from Empower Retirement, the WDC's administrative services provider.

2. Submitting a Response

- a. Provide one (1) hard copy paper response.
- b. Provide one USB thumb drive containing the following:
 - One (1) file folder containing your response in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 (or above) format. The file folder should be labeled "[Vendor Name] RFI Response."
 - One (1) file folder containing your response in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 (or above) format EXCLUDING or REDACTING all confidential and proprietary information/documents. This file folder should be labeled "[Vendor Name] REDACTED RFI Response."

Note: ETF may need to electronically send your redacted materials to members of the public when responding appropriately to public records requests. If there is a public records request regarding the RFI, your redacted file is the file that will be shared with requestors. Note that no matter what method you use to redact documents, ETF is not responsible for checking that the redactions match your submitted Designation of Confidential and Proprietary Information Form. ETF is not responsible for checking that redactions, when viewed on-screen via electronic file, cannot be thwarted. ETF is not responsible for responding to public records requests via printed hard copy, even if the redactions you made are only effective on printed hard copy. ETF may post your redacted responses on ETF’s public website in exactly the same file format you provided to ETF, and ETF is not responsible if the redacted file is copied and pasted, uploaded, e-mailed, or transferred via any electronic means, and somehow loses its redactions in that process.

- Redact only material you/your company authored. For example, do not redact ETF’s question or statement in the RFI you are responding to, only your answer.
 - Do not redact page numbers. Page numbers should always remain visible, even if the whole page is being redacted.
 - List the redacted items on your Designation of Confidential and Proprietary Information Form; sign the Form only once. Add as many lines/pages to the Form as necessary.
- Do not lock or password protect the USB drive.
 - Clearly mark the exterior of the USB flash drive with your company name and RFI ETI0048.
 - Flash drives must be free of all malware, ransomware, viruses, spyware, worms, Trojans, or anything that is designed to perform malicious operations on a computer.
- c. Include your completed and signed Designation of Confidential and Proprietary Information Form.
- d. The outside of the package in which you ship your response should show the following:
- Your company name and address
 - RFI ETI0048
- e. Packages must be sent to one of the following addresses, depending on the method you use to send your response:

<u>Express delivery</u>	<u>United States Postal Service delivery</u>
Dept. of Employee Trust Funds Joanne Klaas RFI ETI0048 Hill Farms State Office Building (HFSOB) Supply & Mail Services 7th Floor North Tower (Visitor’s Entrance) 4822 Madison Yards Way Madison, WI 53705-9100	Dept. of Employee Trust Funds Joanne Klaas RFI ETI0048 P.O. Box 7931 Madison, WI 53707-7931

NOTE: Deliveries are accepted from 8:00 a.m. – 4:00 p.m. central time Monday through Friday. No deliveries may be made on Saturdays, Sundays, and state holidays as the office is closed on those days. ETF is not responsible for picking up responses at the post office or any courier office.

- f. **Responses are due to ETF no later than June 7, 2019, by 2:00 P.M. central time.**
- g. Upon receipt and review of responses, ETF may seek clarification from respondents.

3. Information Requested

Vendors submitting a response to this RFI should address the items listed below. Additional information regarding your services is welcome. Responses should be organized by and correspond to the following sections and requested information.

3.1 Company Information

- 3.1.1 Briefly introduce your organization, including your company's ownership structure, number of employees, number of offices and locations.
- 3.1.2 Provide a brief history of your company and its overall qualifications and experience in analyzing investment options.
- 3.1.3 Provide an overview of your company's approach to conducting search and selection projects for investment options.
- 3.1.4 Provide an overview of your company's experience in working with government / public sector retirement plan sponsors.
- 3.1.5 Provide contact name(s) and information for the person(s) ETF may contact concerning your response and the products and services you offer.
- 3.1.6 List any relevant web sites for your company and its offerings.

3.2 Stable Value Fund Option Review

The Board's fiduciary responsibilities include ensuring the WDC offers investments and services that are in the best interests of WDC participants. The Board has authorized ETF to investigate the Board's options regarding the selection of an independent consulting firm to provide an analysis of SVF options, including an estimate of what consulting firms may charge for this analysis.

- 3.2.1 Discuss your company's experience with SVF reviews.
- 3.2.2 Provide a description of how your company would review the current SVF marketplace for IRC s. 457 plans such as the WDC. How many firms offer stable value funds? What differentiates their offerings? How are these funds priced?

3.2.3 Discuss how your company would review the features of the WDC's current SVF offering to determine if the cost of this fund is within an appropriate range.

3.3 Custom Stable Value Fund Proposal Review

Empower Retirement, the WDC's administrative services provider, has made an offer to provide a custom stable value fund (CSVF) for the WDC. Empower Retirement believes it can provide a CSVF at a very competitive expense rate and would also offer a reduction in the overall fee currently paid by the WDC to Empower Retirement for plan administration and record keeping. For more information, please see [Stable Value Funds: Request for Independent Consultant Review](#) (includes Empower Plan Optimization Proposal (June 4, 2018); Empower WDC Plan Optimization Proposal response to ETF questions (July 20, 2018); and Empower Plan Optimization Update (January 18, 2019)). The Board seeks a consulting firm with expertise to analyze the Empower Retirement CSVF offer and provide a report discussing the pros and cons of the offer.

Discuss how your company would analyze the CSVF offer from Empower Retirement and your approach to sharing the results of your review with a plan sponsor.

3.4 Pricing

Provide an outline of the fees you would charge for providing the services described herein.

3.5 General Information

Provide any additional information that you would like to share about your organization or your qualifications that was not specifically addressed in previous sections.



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ETI0048 Request for Information
Wisconsin Deferred Compensation Program
Review of Stable Value Fund Options
Designation of Confidential and Proprietary Information

The material my company has submitted in response to **RFI #ETI0048** includes proprietary and confidential information that qualifies as a trade secret, as provided in §19.36(5), Wis. Stats., or is otherwise material that can be kept confidential under the Wisconsin Public Records Law. As such, my company requests that certain pages of our response, as indicated below, be treated as confidential material and not be released without our written approval. I understand other information cannot be kept confidential unless it is a trade secret.

Trade secret is defined in §134.90(1)(c), Wis. Stats. as follows: "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique or process to which all the following apply:

- The information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
- The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

Failure to include this form with your response may mean that all information provided as part of your response will be open to examination and copying. The state of Wisconsin (State) will consider other markings of confidentiality in your response to be insufficient. **If you are not including any confidential or proprietary materials with your response, please write "none" in the first row below and submit this form with your response.**

My company requests the following documents/sections/pages of our response not be released:

Response Section/Attachment Name	Page #	Topic
Click or tap here to enter text.	Click or tap to enter text	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap to enter text	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap to enter text	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap to enter text	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap to enter text	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap to enter text	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap to enter text	Click or tap here to enter text.

Attach additional copies of this form if necessary.

In the event the designation of confidentiality of the above-listed information is challenged, my company hereby agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality and to hold the State harmless for any costs or damages arising out of the State withholding the materials. My company agrees to hold the State harmless for any damages arising out of the release of any materials unless they are specifically identified above.

Vendor/Respondent/Company Name:	Click or tap here to enter text.
Name & Title of Authorized Representative:	Click or tap here to enter text.
Authorized Representative Signature:	
Signature Date:	Click or tap here to enter text.