Request for Proposals (RFP) ETC0014
For FDIC-Insured Investment Option

Vendor Questions and Department Answers – Set 1

No.	RFP Section	RFP Page	Question
Q1	Section 1 Bidding Procedures and Requirements	2	Is the Calendar of Events schedule still accurate?
	A1		*The Table 2: Calendar of Events has been revised to reflect the anticipated timeline of events for this RFP as shown below. (**bolded dates** are updated as of March 14, 2013). This updated table will also be included on the FDIC RFP page located at http://etfextranet.it.state.wi.us/etf/internet/RFP/WDC-FDIC/index.html*
Q2	Section 2, Agency and Program History	10	Our firm offers a FDIC insured product to our institutional qualified retirement plan clients ONLY where we are the custodian. Will the Board consider letting us be the custodian for the entire 457 plan? Or at a minimum, be the custodian for the FDIC Investment product?
	A2		*If there are compelling reasons why the Board should consider a custodial change for the entire plan or the FDIC-insured option, please include them in your response. The Board may consider permitting the FDIC-Insured vendor to be the custodian for just the FDIC-Insured account. However, the Board is unlikely to change from the WDC's current overall cash custodian (Wells Fargo) in order to obtain an FDIC-Insured investment option provider unless it is advantageous to the WDC.*

Table 2: Calendar of Events
REVISED

Date*	Event
February 13, 2013	Issue RFP
February 27, 2013	Letter of intent and vendor questions due
March 6, 2013	Vendor conference (if necessary)
March 14, 2013	Post answers to questions on ETF Extranet
April 4, 2013; 2:00 P.M. CDT	RFP proposals due
June 6, 2013	Notify vendors of intent of award contract
June 12, 2013	Begin contract negotiations
September 15, 2013	Anticipated contract start date
November 1, 2013	Expected asset conversion date
*All dates are estimated with the exception of RFP proposal due date and time.	

Q3	Section 3, Minimum Requirements	10	Our FDIC Institutional Bank Deposit Account was created (cloned) in 2011 from an existing FDIC Institutional Money Market Account that has been in existence since 1993. Will the Board take under consideration the history for the cloned account?
	A3	*If the proposing firm is able to demonstrate to the Board's satisfaction how the 2011 "cloned" account should be considered similar to the original (1993) account, then the history and experience of the 1993 account may also be considered. Proposers should explain why the cloned account was created and firmly establish the linkage between the two accounts in terms of investment strategy, management, performance, etc.*	
Q4	Section 3, Minimum Requirements	10	As of 2/20/2013 our FDIC Institutional Bank Deposit Account AUM is $527,389,463. Will the board take under consideration the cloned account assets, which would add an additional $3,652,067,425 in AUM?
	A4	*If the Board determines the history and relationship between the 2011 cloned account and the original 1993 account proves acceptable, then the assets under management (AUM) will also be considered.*	
Q5	3.1.5	15	As a national bank, we sell a variety of investment products which include mutual funds managed by other companies. Are we in compliance with this requirement?
	A5	*If your firm charges a fee or is earning a commission on any investment products you sell, your firm is functioning as a broker and you would not be in compliance with this requirement.* *However, if a different subsidiary (ex.: a non-bank affiliate) under your corporate parent company is performing the brokerage function, then you should indicate this as your firm would be considered in compliance with this requirement.*	
Q6	Appendix F, section 1.0, item 1.1	32	Can you please clarify what is meant by "annual expense reimbursement fee"? As a bank, this is not something we are familiar with and not sure how it applies to our business model.
	A6	*Some investment options (mutual funds, most often) have operating expenses such as management fees or transaction costs for which they are reimbursed. This question seeks to clarify expected costs and reveal any other fees that may be associated with the structure and management of the proposed FDIC-investment option.*	
Q7	Appendix F, section 1.0, item 1.2	32	Similar to Q5, can you please provide more details regarding the definition of "revenue sharing"? Is the expectation that this will be part of the gross rate provided by the bank, is it a separate basis point calculation or is it a standalone dollar amount paid at specific periods?

	A7	*The contract between the Board and the current FDIC-insured option provider includes a provision stating that the FDIC-insured option provider will reimburse the Board for its share of expense incurred on behalf of the WDC for promotional material, not to exceed $5,000 per calendar year. This is a stand-alone dollar amount and is calculated once per year. It is based on the proportionate share of the previous year's total investments in the FDIC-insured investment option as of December 31.*	
Q8	n/a	n/a	Does the plan have a limit on maximum allowable investment that each individual can invest in the FDIC-Insured Investment option?
	A8	*No, the WDC does not impose a maximum allowable limit on any investment options available to participants.*	
Q9	n/a	n/a	Will the current plan administrator (Great-West) provide a complete report detailing the specific WDC participants who have elected to invest in the FDIC-Insured Investment option? If so, how often will this report be provided?
	A9	*No, specific individual participant level detail will not be provided. Aggregate data will be provided from the plan administrator upon request.*	
Q10	n/a	n/a	Will the plan administrator provide the daily net changes in total investments in the FDIC-Insured Investment option?
	A10	*Yes.*	
Q11	n/a	n/a	What is the current interest rate and how is it computed? Benchmark?
	A11	*The current interest rate on the FDIC-insured option is 0.55% as of 12/31/12. Interest accrues daily, is credited monthly on the last day of the month, and is reinvested to allow for monthly compounding.* *All participant balances receive a blended rate of return based on nationally published LIBOR rates as of two days prior to the account reset date. The Board annually determines the level of assets to which the fixed LIBOR rate calculation is applied and the remaining assets are assigned a floating LIBOR rate calculation as described in A. and B. below.* *A. Fixed Rate. The fixed rate is based on the 12 month LIBOR, less a spread of 0.40%.* B. *Floating Rate. The floating rate is based on the 3 month LIBOR rate less 0.40%.* *There is no exact benchmark for this option. The interest rate applies to all funds in the FDIC-insured option during the succeeding calendar quarter and is net of all fees and charges.*	
Q12	n/a	n/a	Please provide a copy of the current contract with the current provider. In order to insure a smooth transition, the new provider needs to understand the current structure.
	A12	*A copy of the current WDC Agreement for the Deposit of Deferred Compensation Funds has been included under the "Reference Material" heading on the FDIC RFP page located at* http://etfextranet.it.state.wi.us/etf/internet/RFP/WDC-FDIC/index.html	

Q13	n/a	n/a	Who is the current provider?
	A13	*The current provider for the WDC's FDIC-insured option is BMO-Harris, which assumed responsibility for the option when it purchased M&I Bank in 2011.*	