

Office of the Illinois State Treasurer
Michael W. Frerichs

Request for Proposals Investment and Administrative Consulting Services
370-200-17-007

Addendum 1
November 4, 2016

Below are the questions received by the Office of the Illinois State Treasurer (“Treasurer”) and the Treasurer’s responses. Any capitalized terms that are not defined herein have the meaning set forth in the Request for Proposals Investment and Administrative Consulting Services (370-200-17-007) (“RFP”) published by the Treasurer on behalf of the Illinois Secure Choice Board on October 14, 2016.

1. While reviewing your postings, it was confusing to see two postings (1) Request for Proposals – External Investment Advisor and (2) Request for Proposals Investment & Administrative consulting Services 370-200-17-007. Which RFP should interested parties respond to?

Respondents should reply to the Request for Proposals Investment and Administrative Consulting Services (370-200-17-007), posted on October 14, 2016.

2. Is the meeting schedule for 2017 available? If so, can you please provide it?

The Board’s meeting schedule for 2017 has not been finalized. The Board is required to meet quarterly but may choose to schedule additional meetings. Board meeting dates and times are posted on the Secure Choice webpage at www.illinoisretirement.gov.

3. Will the quarterly due diligence and review meetings for both the investment funds and regarding management/operations of Secure Choice be held in person, in Chicago? Given these meetings cover separate topics, can we expect there to be a total of eight meetings per year to specifically cover both of these areas? Or will some of these meetings be conference calls?

The quarterly due diligence and review meetings will be held in a single day and will include a review of both investments and administration/program operations. In total, there will be four quarterly meeting dates per year. Three of the quarterly due diligence and review meetings will be held in Chicago and one will be held at the program manager’s or investment manager’s offices.

4. Is it the intention of the Board to hire one external investment advisor? Or will the Board be looking to hire multiple advisors that specialize in each area (Administrative services vs. Investment Services)?

The Treasurer intends to enter into a single contract, with Board approval, for the Services. Respondents may provide all of the Services or a portion of the Services with the reminder to be provided by a subcontractor that is subject to the approval of the Treasurer.

5. What is the expected date for the program launch?

The Board recently approved an implementation deadline that would allow for a phased-in rollout, beginning with a phase one pilot program in 2018, and additional phases later in 2018 or 2019.

6. What is the Board's timing expectation for issuing an RFP for recordkeeping/administrative services?

Based on the Board's stated goal of beginning program rollout in 2018, the Board hopes to issue an RFP for program management (investment and administrative/recordkeeping services) in the spring of 2017.

7. The RFP mentions that Secure Choice will be self-sustaining and any start-up funds provided by the State must be repaid. What amount of start-up, and recurring if applicable, funding will the Program receive from the State?

The General Assembly has appropriated \$2.1 million for FY17 to assist with start-up costs. There is no guarantee that additional Secure Choice funding will be provided by the State in future years.

8. Is there an annual or engagement cap on consulting fees?

There is no specific cap on consulting fees. However, the program as a whole has a total fee cap of 75 basis points, including all administrative and investment fees.

9. With regards to Scope of Work C., items 3 and 4, how many Board meetings and non-Board meetings does the Treasurer and Board estimate that the Consultant is expected to attend annually?

Separate from the quarterly review meetings that the Contractor will attend in person, the Contractor will attend four Board or Committee meetings in-person. The Contractor may be expected to

participate in additional meetings via videoconference or teleconference.

10. With regard to contract term, will there be an opportunity to revise fees in connection with any extensions?

Yes, fees may be negotiated for contract term extensions.

11. Please confirm if the successful bidder for this procurement will be precluded from bidding on the contract for the investment and administrative services, as either the prime respondent or as a subcontractor to a primary respondent, at such time as the RFP for those services is released.

Yes, the Contractor who enters into the Agreement and any of its subcontractors will be prohibited from submitting a proposal to the Secure Choice RFP for investment and administrative services because of Section III.C.1.

12. The RFP referenced that the program will have a 75bps fee cap. Is that solely for investment management fees or is that inclusive of management fees, technology fees, administrative (record keeping) fees, and marketing expenses?

The 75 basis point cap on fees is a cap on total fees, not just investment fees.