



June 27, 2022

To: All Potential Respondents  
From: Michael Gulick, Issuing Officer

Subject: RFP1622005004

### Addendum #1

Per Section 2.7 Amendment to the RFP, The Agency reserves the right to amend the RFP at any time using an addendum. **RFP 1622005004 is being amended as follows.**

Section 4.5.16 403(b) Information Sharing Agreement and Section 4.5.16.1 Attachment 13: Iowa RIC 403(b) Information Sharing Agreement are now a Mandatory Requirement for Respondents submitting 403(b) Product.

The Agency's written responses to timely questions received are as follows and are hereby made a part of RFP1622005004.

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IMPACS Q1. Plan Providers - The Iowa RIC appears to offer two tiers of Investment providers with the top tier of providers serving all three plans – 401a, 403b and 457b.  
RIC (per the RIC At-A-Glance document)

- a. Please confirm that the RFP seeks a top tier provider.
- b. Is the intent to replace one or more of the current providers or to add providers?
- c. If replacing advisors, will there be a transfer of participant assets to the new provider(s)?

IMPACS A1.

- a. There are no tiers. Some providers offer all three plans and some providers offer only the 403b plan.
- b. The State is seeking Respondents for the plans in general. Respondents have the discretion to select which plans they wish to provide Proposals for. All current providers and any new Respondents are required to submit a Proposal. This RFP is not just to add new providers to our existing offerings.
- c. If a current provider is not included as an "approved" provider at the conclusion of the RFP process, that provider will retain current assets but will not be able to receive future contributions.

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IMPACS Q2. Plan Data - Can you provide the number of participants in each plan?

IMPACS A2. There are currently 15,416 contributors for 457 and 401a plans. There are currently 13,204 contributors for 403b plans.

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IMPACS Q3. Plan Data - What are the current plan flows (i.e., annual contributions and annual distributions)?

IMPACS A3. Current annual contributions are \$55,408,479 for 457plans, \$26,621,028 401a plans and \$80,711,182 for 403b plans. The State does not currently track annual distributions.

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IMPACS Q4. Plan Data - How is the 401a plan funded?

IMPACS A4. Employer contributions.

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IMPACS Q5. Plan Fees - What are the current fees associated with plan administration and recordkeeping for the plan(s)?

IMPACS A5. Plan Fees are available by selecting Ctrl + Click to follow link [457 & 401a](#) and [403b](#).

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IMPACS Q6. Plan Fees - What are the current fees on managed accounts?

IMPACS A6. The range is from 30 to 60 basis points on managed accounts.

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IMPACS Q7. Investment Performance - What are the current rates of return for the stable value products or general accounts?

IMPACS A7. Current rates range from 1.5% to 4.0% with typically being 2.0 to 2.5%.

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IMPACS Q8. RFP Search - Is there a consultant involved in this search? If so, who?

IMPACS A8. Yes, Advanced Capital Group.

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IMPACS Q9. Plan Fees - What is the current pricing, provided as either an asset-based or per participant fee?

IMPACS A9. See IMPAC answer 5.

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IMPACS Q10. Investment Products - The Investment section of the RFP requested information about the respondent's ability to offer age-based managed accounts and risk-based managed accounts. Does the plan sponsor require provision of both types of management accounts or can either type be offered?

IMPACS A10. The plan sponsor does not require provision of both types of managed accounts.

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IMPACS Q11. Participant Services - Please describe the guidelines for group or individual meetings with employees/participants?

IMPACS A11. All written or electronic materials must be submitted to the State RIC Plan Administrator for review and approval before use. All meetings must be pre-approved by the applicable employer. For State of Iowa employees, meetings must be on non-work time (lunch, before or after hours, etc.).

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IMPACS Q12. Participant Services - What is the number of group/individual meetings required in this RFP?

IMPACS A12. Meetings are allowed but not required in the RFP subject to employer's approval.

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IMPACS Q13. RFP Search - Are there any pain points with current plan/providers?

IMPACS A13. At times, there are issues with websites or advisors.

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IMPACS Q14.1. General – Are there limitations on word count?

IMPACS A14.1 Respondents should use professional judgment on word count providing meaningful responses to questions and information. Per section 3.1.4 Proposals shall not contain promotional or display materials. Respondents should be cautious of excessive word saturation on responses.

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IMPACS Q14.2. Attachment 3 - Is the common remitter willing to create an FTP data connection (File Transfer Protocol) to allow for additional plan features?

IMPACS A14.2. Successful Respondents will need to work directly with the State's Common Remitter to determine what FTP data connections are available.

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IMPACS Q14.3. Attachment 9 - What format would the State like the agent list and as of what date?

IMPACS A14.3. Current up-to-date list at time of Proposal submittal in the preferred formats of Excel or PDF.

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IMPACS Q14.4. Section 4.5.3 – What is the point reduction for not providing contact information due to confidentiality requirements? Will points be given for providing Public information (Client name

and assets) only?

IMPACS A14.4. Respondents are required to provide Section 4.5.3 information. Respondents may request confidential treatment per Section 2.20 by properly completing IMPACS Prerequisite Form 22 – Request for Confidentiality and submitting a Public Copy from which confidential information has been excised.

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IMPACS Q14.5. Section 4.5.3 – Will the state be using the clients listed as references?

IMPACS A14.5. The State reserves the right to contact public clients for the purpose of this RFP.

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IMPACS Q14.6. Section 4.5.10 – Is the State looking for 3(31) or 3(38) coverage for Investment Advice?

IMPACS A14.6. The State is making no requirements at this point, but is gathering information.

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IMPACS Q14.7. Section 4.6.1 - Is the State looking to make changes to the current investment line-up?

IMPACS A14.7. See IMPAC Answer 1.

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IMPACS Q14.8. Section 4.6.1.1.3 – Will respondent be allowed to propose propriety products other than Fixed products? If so – what categories?

IMPACS A14.8. For the 403b plan, the provider may propose any investments allowed by Federal law. For the 457 and 401a plans, the provider may propose any investments allowed by the State's Investment Policy.

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IMPACS Q14.9. Section 4.7.1 - If a single provider is selected, would all assets move to the recordkeeper at once through a MVA or at book value? If assets would not move all at once, please confirm payout provisions and if there are surrender charges that drop off or book out over time through installments.

IMPACS A14.9. See IMPACS Answer 1.

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IMPACS Q15.1 Client Data - What is the total number of participants in each plan?

IMPACS A15.1 See IMPACS Answer 2.

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IMPACS Q15.2. Client Data - What is the split between active and terminated participants for each plan?

IMPACS A15.2. The State does not currently track this information.

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IMPACS Q15.3. Client Data - What are the annual contributions to each plan?

IMPACS A15.3. See IMPACS Answer 3.

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IMPACS Q15.4. Client Data - How many unique participants are there across all plans?

IMPACS A15.4. The State does not currently track this information.

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IMPACS Q15.5. Client Data - How many days of onsite education are provided by the vendors?

IMPACS A15.5. There are no requirements for a set number of days.

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IMPACS Q15.6. Client Data - Does the plan currently offer a managed account service, and if so what are the total assets in the service?

IMPACS A15.6. Yes, however, the State does not currently track total assets in managed accounts.

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IMPACS Q15.7. Client Data - How much of the current assets are mappable at the plan level from each of the Current vendors?

IMPACS A15.7. None.

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IMPACS Q16. Relationship Management - In questions 4.5.1.2 and 4.5.1.3 you discuss the relationship management positions. Do you view one as the RM for the plan sponsor and the other as the RM for participants? We would appreciate more detail. Thank You.

IMPACS A16. We are looking for Relationship Management information for the plan sponsor.

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IMPACS Q17. Blackout/Conversion - 4.6.3.10 – Please explain the reference to “the end of the blackout period and reference during the conversion.” Is Iowa RIC planning on a vendor-to-vendor conversion?

IMPACS A17. There is no present plan to move. However, given that in recent years it's become a fluid market, the State is interested in knowing capabilities.

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IMPACS Q18. Minimum Investment Requirements - In the 2015 RFP, section 4.1.3 Minimum Investment Requirements, it was stated, "Fees (excluding fund management fees) shall be no higher than .20% of assets." It appears this has been removed for the 2022 RFP. Please confirm.

IMPACS A18. Confirmed.

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IMPACS Q19. Attachment 1, Sections 5.1.2 and 5.1.8 - Could you please confirm if electronic delivery of statements/notices to participants is acceptable as an alternative to mailing for those participants who may elect to receive statements and notices electronically?

IMPACS A19. Confirmed.

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IMPACS Q20. Attachment 16 – Cost Proposal - The respondent requests more detailed information related to plan assets, plan participants, plan contributions, fixed account allocations, as referenced below:

Please provide by plan the following information for the last three years:

- o Assets by plan, broken down by vendor
- o Annual contributions to each plan, broken down by vendor
- o Number of participants within each plan including those actively contributing, broken down by vendor
- o Annual distributions by plan, broken down by vendor
- o Fixed account allocation by plan, broken down by vendor.

IMPACS A20. The State does not intend to provide this information for this RFP.

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IMPACS Q21. Cost Proposal Scenarios - In the event there are current vendors that are deselected: Please provide how the plan sponsor may direct assets from deselected vendors to selected vendor(s) for each cost proposal scenario?

IMPACS A21. See IMPACS Answer 1.

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IMPACS Q22. Attachments - Could you please confirm all documents have been provided as the attachment numbers are not in sequence?

IMPACS A22. Confirmed.

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Email Q23. As only a provider in the 403(b) Plan ('optional provider' via the 2017 ITQ1117005202 – 403b Optional Voluntary Retirement Savings Program), will DAS be issuing an ITQ for Optional 403(b) Providers or should we respond to this RFP as an Optional 403(b) Provider only?

Email A23. You should respond to this RFP as a 403(b) provider. The State is not issuing a separate ITQ.

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Email Q24. We are really struggling with how to respond here as only a 403(b) Optional Provider, our current investment products that we would like to keep in place cannot comply with the Mandatory Requirements in Section 4.3 Mandatory Minimum Investment Requirements. What specific sections of this RFP do we complete and ignore as an Optional 403(b) Provider?

Email A24. The State has determined that Respondents only submitting Optional 403(b) Product will be subject to Section 4.3 Mandatory Minimum Investment Requirements. All Respondents are required to answer all sections of the RFP. Respondents only submitting Optional 403(b) Product are not required to answer specific 457b or 401a information. For example, if Respondent is only submitting Optional 403(b) Product, then for Section 4.5.3 Experience the Respondent would only include 403b total assets under management.

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Email Q25.1. Can you provide a copy of the most recent plan document?

Email A25.1. Current plan documents are available by selecting Ctrl + Click to follow link [457](#) , [401a](#), and [403b](#).

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Email Q25.2. Do your SVFs or Fixed Accounts currently have MVAs or surrender charges associated with them?

Email A25.2. Currently yes, however, it is limited. Going forward no, see Section 4.3 Mandatory Minimum Investment Requirements of this RFP.

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Email Q25.3. Please provide additional financial demographics (contributions, # of participants, # of eligibles, etc.) as well as plan statements with fund balances.

Email A25.3. See IMPACS Answers 2 and 3. The State is not providing number of eligible participants or plan statements for the purposes of this RFP.

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Email Q25.4. Are the supplemental plan providers being removed, or are there any plans or discussions regarding removing them?

Email A25.4. See IMPACS Answer 1.

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Email Q25.5. Is there a plan to add additional core providers, or is the thought process to replace one (or more) of the core providers? If it's a replacement, will assets be mapped to the winning, new recordkeeper or not?

Email A25.5. RIC does not have “core” and “optional” providers. See IMPACS Answer 1.

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Email Q25.6. Will the DAS RIC keep 4 core providers?

Email A25.6. See IMPACS Answer 1.

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Email Q25.7. If a provider is a core provider with an NAV product, is there any place for them to be a supplemental provider with an annuity contract (to offer additional product features for those who may be interested and suitable for such features)?

Email A25.7. Respondents may choose to offer any investment products allowed in the RFP. Respondents may choose to offer one product for the 457 and 401a plans and a different product for the 403b plan.

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Email Q25.8. Are there any restrictions on fund lineups?

Email A25.8. None outside of Federal law and the State’s Investment Policy.

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Email Q25.9. Is the IOWA RIC considering pricing individually for each core provider or will they require equivalent pricing? If it is equal pricing levels for every provider, then is there a desired target from DAS RIC?

Email A25.9. Each Respondent sets its own pricing in its proposal. The State does not intend to provide this information for this RFP.

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Email Q25.10. Is the DAS looking to introduce model portfolios into the plan? If so, who will design these?

Email A25.10. There is no current plan to introduce Model Portfolios. However, the State is interested in understanding capabilities for potential future flexibility.

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**Respondents will be required to acknowledge receipt of this addendum when entering their Proposal into the [State’s IMPACS Electronic Procurement System](#).**