REQUEST FOR PROPOSALS
TO PROVIDE
MANAGEMENT CONSULTING SERVICES
RETIREMENT DIVISION

Questions and Answers

1. **QUESTION:** What are the presenting problems that give rise to the RFP? For example, have external and/or internal changes occurred that relate to the needs listed in any of the dotted items listed in paragraph 1? What deficiencies have been identified (e.g., communication problems, customer service complaints, lack of coordination among job roles, spotty performance management systems)? Presenting problems can be described in general terms, as in the examples I give.

   Related questions:

   What necessitated this study?

   What is the impetus for reviewing the operations and procedures of the Retirement Division at this time?

   What specifically has motivated the Office of the Vermont State Treasurer to undertake this project at this time?

   ANSWER: There are several factors that have given rise to the issuance of this RFP. First, a new Treasurer took office in January 2003 and has undertaken a review process in all Divisions. Certain stresses have been identified specific to Retirement Operations. The workload of retirement staff has increased steadily over the years, as plans have increased in complexity and the number of members has grown. Over the next five years, the volume of retirements to be processed and client contacts to be made is expected to mushroom. While there is no quantitative data to support this, there are indications that these stresses have already created, and will likely continue to exacerbate, unwanted results. These include high caseload volumes, the inability to meet client needs in a timely manner, and a decline in customer satisfaction. In addition, staff turnover has been high, creating additional stress. Less time is available for staff training, despite the need to actually increase such training in a period of changing benefit plan administration. In addition, there has been a lack of investment in software applications to assist in managing the caseload. As a result, many functions are currently done manually, so they are time-consuming and are prone to error. In addition, the Retirement Division will soon be initiating a project to update its computer software and related information technology support systems. A separate project will be designed to address the IT needs of the Division. While the current project to be undertaken through this RFP will stand on its own, it will also be used as an information tool for the latter project.

2. **QUESTION**: What in particular has brought the Office to the expedited timetable for completion of this project?

   ANSWER: As noted above, the Division plans to proceed with an IT/Retirement administration software project in the very near future. We believe that the information and recommendations developed in this project will assist as a starting point for that project. We therefore are scheduling completion of this project in a timeframe that will assist both needs.

3. **QUESTION**: Has any Division in the State Treasurer's Office performed a similar operations assessment within the last ten years, and what was the outcome? (The question is not about financial audits.)

   ANSWER: To our knowledge, there has been one study in the last ten years, which related to reconciliation processes in the Financial Operations Division. That project assisted in the development of procedures specific to bank and cash reconciliations subsequent to the change in both the State's banking vendor and the State's automated financial system. The project also included making staffing and training recommendations. The project was initiated in March 2002 and a final report was issued December 2002.

4. **QUESTION:** Is there a maximum length for the proposals? If not, what is your office's disposition toward additional material a bidder might include; for example: similar job designs, or articles published that relate to the request?

   ANSWER: While there is no maximum length, each response should be prepared simply and economically, avoiding the use of elaborate promotional materials beyond those sufficient to provide a complete, accurate, and reliable presentation. The purpose of the bidder's response is to demonstrate capacity, qualifications, and competence to provide the services outlined in this RFP.

5. **QUESTION:** Has a budget been set for this project? If so, can the budgeted amount be made available?

   Related Questions:

   What is the maximum allowable cost bid?

   What amount of funds has the State appropriated for this project?

   Is there a projected budget or budget range for this project?

   ANSWER: There is no established budget for this project.

6. **QUESTION**: Are evaluation criteria listed in order of importance? Are criteria weighted, and if so, what are the point weights or percentage for each factor?

   ANSWER: The evaluation criteria listed in Section V of the RFP are not listed in order of importance, and no set weight or points have been assigned to individual criterion. The proposal will be viewed in its entirety and rated on that basis, with the goal of obtaining the "best value" overall.

7. **QUESTION**: What is the intended use of the requested recommendations report and to what audiences will it be provided?

   ANSWER: The intended use of the report is to support senior management and the Retirement Boards in making decisions concerning the structure and operations of the Retirement Division. To the extent the recommendations may result in certain changes involving the level of resources, it may be shared with Executive Offices (State Department of Administration, Department of Personnel) and the Legislature. Since this is a public office, written reports and findings are available to the public under the Freedom Of Information Act.

8. **QUESTION:** What is the long-term vision or goal(s) of the Retirement Operations Division? For example, to deliver a certain level of customer service and satisfaction, to be "best in class" in the public employee retirement system industry, to be the most efficiently run Vermont state entity, or some other motivating goals, etc.?

   ANSWER:
   The Treasury as a whole has four goals:
   - Be the best State Treasurer's Office in the US.
   - Offer the best customer service possible.
   - Do our part to make this office a great place to work.
   - Give Vermont taxpayers an excellent value.

   The Retirement Division shares in each of those goals. The Retirement Division and the Unclaimed Property Division are two points of interaction with our customers. In both Divisions, our goal is to develop quantitative and qualitative measures of performance relative to customer contacts, outreach, education and training, and overall customer satisfaction.

9. **QUESTION:** What specific customer service, workload, and related performance measures currently exist? May these existing measures and their current performance levels be provided for review in preparing the RFP response?

   Related Questions: Has a performance measurement program been established? If yes, can the program document be provided?

   Do you have current data collection and information management systems related to the performance of the processes in the Retirement Division (such as a balanced score card system, or other family of performance measures)?

   ANSWER: Quantitative benchmarks do not currently exist. It is expected that one outcome of the project is to develop such benchmarks, as well as the organization environment and tools to support their use in developing outcome measurements that feed to continued re-assessment and improvements in service delivery systems.

10. **QUESTION**: Does the Retirement Division have any workflow/business process mapping documentation, operating procedures, or related items available for review in preparing a response to this RFP and/or for use in the project?

    Related Question: What written guidelines on operations and procedures exist now?

    ANSWER: There are procedures in place for various office activities such as procurement, expense reimbursement, entry of data on the States financial system (VISION), and the current retirement system. There is an updated Trustee Manual for the Boards of Retirement. Brochures and training materials for plan benefits are also available for staff and customers.

    Business process/workflow documents do not exist at present. There are procedural memos and checklists relative to various systems processes but these have not been standardized in a formal document, and a process to document changes has not been adopted. It is the Treasury's expectation that this project will result in the documentation of key business practices and an assessment of the structural and operational requirements necessary to support them. The product will also include a workflow analysis.

11. **QUESTION**: What types of technology are currently used, and what is the extent of that use, in the Retirement Division and/or Treasurer's Office to deliver benefits and services?

    Related Question: Does the Retirement Operations Division use its own computer system, or is it part of the State Treasurer's system?

    ANSWER: The Retirement Division's legacy retirement system was written many years ago by internal staff. It is based on a design obtained from the State of Montana, and is maintained by the Office of the State Treasurer's staff. It consists of about 60 COBOL programs running on the State's mainframe. There are three major components – active member administration, pension payroll administration, and a data collection and balancing subsystem. The system is supported by several Focus shadow systems running under VM and CICS, and several Focus and Access shadow systems running on the Treasurer's network, located on the Windows 2000 server.

12. **QUESTION**: Does the Retirement Operations Division have a strategic business plan or strategic technology plan? If so, may these plans be made available for review prior to preparing a response to this RFP?

    ANSWER: The Retirement Division of the State Treasurer's Office is preparing to replace its automated mainframe-based retirement infrastructure with a modern and full-featured client server system. The purpose of the new system is to provide the Retirement Division with the tools necessary to support an increase in the quality of service to the members and to provide time and cost-saving efficiencies to the staff. This includes faster turn-around for inquiries and requested services, easier access to needed information and documents, increased accuracy of information, and timely identification of problems.

    An initial assessment based on information gathered in-house and from vendors, references, and other states has been conducted. An RFP to obtain the services of a consultant to conduct a formal needs assessment and prepare an RFP for retirement administration software and related technology support will be the next step.

13. **QUESTION**: Would the successful bidder be precluded from bidding on future work related to any technology implementation project? We understand that the Retirement Division may be issuing an RFP for a new pension administration system in the near future. We want to confirm that the successful bidder for management consulting services will be allowed to bid on that work.

    A**NSWER:** Please reference questions above. The current RFP is a separate engagement from the information technology/retirement administration software project. Selection of a firm for this project does not preclude consideration for future projects.

14. **QUESTION**: Has the Retirement Operations Division conducted any customer satisfaction, performance benchmarking, or related other surveys? If so, can these be made available?

    Related Question: Have any customer satisfaction surveys or studies been conducted within the past three years?

    ANSWER: No such surveys have been conducted.

15. **QUESTION**: Would knowledge of retirement plan administration be helpful in order to conduct this study?

    ANSWER: This would be a benefit, but the primary emphasis in conducting this project will be working with senior managers in the areas of organizational development, planning, and workflow analysis and change management.