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Office of Purchasing & Contracting

*Agency of Administration*

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## REQUEST FOR INFORMATION

### Green Mountain Secure Retirement Plan Program Administrator Services

**ISSUE DATE:** February 16, 2018

**QUESTIONS DUE BY:** February 23, 2018

**RFI DUE DATE:** March 9, 2018 @ 3:00PM

**RFI MUST BE RECEIVED:** By email to [Al.LaPerle@vermont.gov](mailto:Al.LaPerle@vermont.gov), with  
"RESPONSE TO RFI" in Subject Line of email

**RFI OPENING AND LOCATION:** March 9, 2018 @ 3:00PM, 109 State Street,  
Fourth Floor, Montpelier

PLEASE BE ADVISED THAT ALL NOTIFICATIONS, RELEASES, AND AMENDMENTS ASSOCIATED  
WITH THIS RFI WILL BE POSTED AT:

<http://www.vermonttreasurer.gov/content/green-mountain-secure-plan-rfi>

THE STATE WILL MAKE NO ATTEMPT TO CONTACT VENDORS WITH UPDATED INFORMATION. IT IS  
THE RESPONSIBILITY OF EACH VENDOR TO PERIODICALLY CHECK  
<http://www.vermonttreasurer.gov/content/green-mountain-secure-plan-rfi> FOR ANY AND ALL  
NOTIFICATIONS, RELEASES AND AMENDMENTS ASSOCIATED WITH THE RFI.

**CONTACT:** Al LaPerle  
**TELEPHONE:** (802) 828-2318  
**E-MAIL:** [Al.LaPerle@vermont.gov](mailto:Al.LaPerle@vermont.gov)

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## 1 PURPOSE

This Request for Information (RFI) is issued for the State of Vermont, Office of the Treasurer (State) to gather input and obtain information for the Green Mountain Secure Retirement Plan Board (Board) to use in the development and issuance of possible Requests for Proposals (RFPs) to retain a third-party program administrator for a voluntary Multiple Employer Plan (MEP) to be known as the Green Mountain Secure Retirement Plan (Secure Retirement Plan) for implementation on or before January 15, 2019.

Through this RFI, the State seeks to better understand all of the necessary services to run and operate the Secure Retirement Plan, with the overarching goal of providing Vermont workers with access to an easy, safe, and convenient retirement savings tool. The State therefore seeks information from vendors, such as recordkeepers, investment management firms, and financial services firms, with the expertise and ability to launch and manage a new state-run, multiple employer retirement savings program for private sector workers. This RFI is also an invitation to organizations that might have general or specific knowledge of the items discussed within, who would be willing to share their knowledge, expertise, and/or thoughts with the State. It is not directed solely at potential bidders for a subsequent RFP.

The State intends to evaluate the submissions by respondents to explore how they would meet the program needs and understand the cost associated with proposed solutions. The State shall not be held liable for any costs incurred by the vendors in the preparation of their submission, or for any work performed prior to contract issuance.

### 1.1 LIABILITY

**THIS IS A REQUEST FOR INFORMATION (RFI) ONLY.** This RFI is issued solely for information and planning purposes – it does not constitute a Request for Proposal (RFP) or a promise to issue an RFP in the future. This request for information does not commit the State to contract for any materials or service whatsoever. Further, the State is not at this time seeking proposals and will not accept unsolicited proposals. Respondents are advised that the State will not pay for any information or administrative costs incurred in response to this RFI; all costs associated with responding to this RFI will be solely at the interested party's expense. Not responding to this RFI does not preclude participation in any future RFP, if any is issued. If an RFP is released, it will be posted on the State of Vermont bid opportunities web site: <http://www.bgs.state.vt.us/pca/bids/bids.php>. It is the responsibility of the potential offerors to monitor this site for additional information.

### 1.2 CONFIDENTIALITY

The State retains the right to promote transparency and to place this RFI into the public domain, and to make a copy of the RFI available as a provision of the Vermont access to public records laws. Please do not include any information in your RFI response that is confidential or proprietary, as the State assumes no responsibility for excluding information in response to records requests. Any request for information made by a third party will be examined in light of the exemptions provided in the Vermont access to public records laws.

**The solicitation of this RFI does not commit the State or the State of Vermont to award a contract. This RFI is for information gathering purposes only and no vendor will be selected, pre-qualified, or exempted based upon their RFI participation.**

## 2 BACKGROUND INFORMATION

This Section provides background on the Secure Retirement Plan, the Board, the guiding principles established by the General Assembly, and the demographic overview.

### A. Secure Retirement

On June 9, 2017, Act 69 of 2017 was signed into law, thereby establishing Secure Retirement Plan and its Board. The

Secure Retirement Plan is a retirement savings initiative that applies to all employers in Vermont that have no more than 50 employees, and do not offer a qualified retirement savings option (Employer). The Secure Retirement Plan is also intended to be available to self-employed individuals. If Employers do not provide a retirement savings program to their employees, they can opt-in to the Secure Retirement Plan, at which point they will automatically enroll their employees into the Secure Retirement Plan. Employees may opt-out of the Secure Retirement Plan entirely. Those employees who do not opt-out (“Participant”) will be enrolled into a default fund (to be determined) with a default pre-tax percentage (to be determined) but can change their fund option or contribution amount at any time. Accounts will be owned by Participants and be portable. The third-party administrator will pool and manage the individual accounts.

## B. Board

Act 69 creates a seven-person Board, responsible for implementing and overseeing the management of the Secure Retirement Plan, with the Vermont State Treasurer designated as the Chair. Specific responsibilities of the Board are delineated in Act 69. The Board was preceded by the Public Retirement Study Committee (Committee), which was initially created in 2014 Acts and Resolves No. 179, Sec. C.108, as amended by 2015 Acts and Resolves No. 58, Sec. C.100, and reaffirmed by 2016 Act 157, Sec. F.1.

## C. Guiding Principles

The Act establishes twelve guiding principles for the Secure Retirement Plan. The program to be implemented must adhere to them:

1. **Simplicity:** the Plan should be easy for participants to understand.
2. **Affordability:** the Plan should be administered to maximize cost effectiveness and efficiency.
3. **Ease of access:** the Plan should be easy to join.
4. **Trustworthy oversight:** the Plan should be administered by an organization with unimpeachable credentials.
5. **Protection from exploitation:** the Plan should protect its participants, particularly the elderly, from unscrupulous business practices and individuals.
6. **Portability:** the Plan should not depend upon employment with a specific firm or organization.
7. **Choice:** the Plan should provide sufficient investment alternatives to be suitable for individuals with distinct goals, but not too many options to induce analysis paralysis.
8. **Voluntary:** the Plan should not be mandatory but auto enrollment should be used to increase participation.
9. **Financial education and financial literacy:** the Plan should assist the individual in understanding his or her financial situation.
10. **Sufficient savings:** the Plan should encourage adequate savings in retirement combined with existing pension savings and Social Security.
11. **Additive not duplicative:** the Plan should not compete with existing private sector solutions.
12. **Use of pretax dollars:** contributions to the Plan should be made using pretax dollars.

## D. Demographic Overview

The Treasurer and Committee have worked with a variety of research entities to learn more about the expected pool of Participants and the financial feasibility of the Secure Retirement Plan under a variety of program design assumptions. According to the Vermont Department of Labor, the following data is available as of March 31, 2017:

- 21,783 private firms in Vermont
- 21,026 (or 96.5%) had fewer than 50 employees
- Private firms with less than 50 employees employed 111,854 employees on a part- or full-time basis. (Source: Quarterly Census of Employment and Wages)

According to the 2013 Fringe Benefit Survey, here is the breakdown of private firms that offer a “retirement plan”:

<http://www.vtlmi.info/2013fringebenefitstudy.pdf>

- Private firms with 3-9 employees – 30% offer a retirement plan
- Private firms with 10-19 employees – 43% offer a retirement plan
- Private firms with 20-49 employees – 57% offer a retirement plan

### **3 RFI DESCRIPTION**

**The State is seeking information to use in possible RFPs to retain a third-party program administrator for the Secure Retirement Plan.**

**The RFI has two key objectives:**

- Provide prospective respondents with information regarding the business need, and,
- Solicit respondent information to assist the State in determining if identified requirements can be met in a cost effective manner.

In response to this RFI, the State seeks responses from vendors qualified to provide program administrator services for the above detailed program. Interested vendors are asked to provide information regarding their qualifications and their availability and interest in providing the recordkeeping, administrative, and fund management services needed for the effective operation of the Secure Retirement Plan.

Respondents shall outline one or more service approaches including a detailed implementation plan to include the processes and methodology to set up employer plans and the employee enrollment process. In addition, the service approach shall include a comprehensive communication and program marketing approach and outline the activities critical to Program success.

The State is seeking feedback on the information in this RFI and will consider any information, including partial responses, received in response to this RFI. If the State moves forward in the development of an RFP, the RFP process will be open to all respondents regardless of their decision to participate in this RFI.

**The State envisions that the solution will support the following high-level goals:**

- Establish a Secure Retirement Plan that meets the twelve guiding principles described above;
- Provide comprehensive recordkeeping services in a manner consistent with applicable state and federal requirements;
- Market, onboard, and enroll a significant number of employers and employees; and
- Provide expertise and a high level of performance in client counseling, including but not limited to the development of an easily accessible customer-facing website.

### **4 CURRENT STATE**

Currently, there is no Secure Retirement Plan in place, and the Green Mountain Secure Retirement Plan will likely be the first broad-based State-run multiple employer plan.

### **5 REQUESTED INFORMATION**

Each submission prepared in response to this RFI must include the elements listed below, in the order indicated. The vendor, when presenting the response, must use the following outline:

- Cover Page
- Responses to Vendor Questionnaire

#### **5.1 COVER PAGE**

The first page of the vendor's RFI Response must be a cover page displaying at least the following:

- Response of RFI Title
- Respondent's Name
- Contact Person
- Telephone Number

- Address
- Fax Number
- Email Address

All subsequent pages of the RFI Response must be numbered.

## ***5.2 VENDOR QUESTIONNAIRE***

Please provide your answers to the following questions related to the project. While the questions posed are generally directed toward third-party administrators and other potential vendors, the State welcomes responses from any other respondent with knowledge and information on the specific questions that will help the State in its understanding of the relevant subject areas. Additional information may supplement your answers and must be attached to the RFI response.

### **Design and Philosophy**

1. What are the key program design principles that your firm believes will drive the success of the program?
2. Describe the key concepts behind building Program awareness with eligible employers.
3. How would you use your marketing and outreach resources to facilitate and encourage participation in Secure Retirement?
4. Describe your philosophy and the practical aspects of how you will make the Program simple and easy for an employer to start and maintain.
5. Describe your philosophy regarding the investments array(s) to be offered within the Program. How will you assist the Treasurer and the Board in this process? Keeping in mind the program's guiding principles, describe the investment array(s) you would suggest for the Program. Describe the potential limitations or restrictions you might require of any potential funds and the degree of investment flexibility you may be able to offer.
6. What type of fee structure(s) do you envision for this type of program?
7. Understanding that Secure Retirement will be a new program, how will you partner with the Treasurer and Board to achieve success in advance of program launch, during enrollment, and throughout program operations?
8. How would you communicate with the Treasurer, Board, and/or the Consultants on evaluation of the investment options, annual performance reviews, and annual compliance requirements?
9. Describe your philosophy regarding educating employers and employees in the importance of saving for retirement. Include any relevant information on financial literacy/wellness and what financial education materials and tools would you be able to offer employees and participants.
10. What administrative challenges, if any, do you anticipate regarding the different employment structures, such as independent contractors, self-employed individuals, individuals with multiple employers that may be present with this program?
11. Is there an option for a contractor to assume some or all fiduciary responsibilities and associated risks with this type of program? And if so, what are the pros and cons associated with this type of an arrangement?

### **Service Approach**

12. Describe in detail your proposed service approach with specific details on the following program operational requirements:
  - a. Your proposed promotional marketing strategy/approach for promoting Secure Retirement including creating program awareness and communicating the program to potential employers and the technologies, methods, and all marketing channels that might be used;
  - b. Identification of all employers in the state of Vermont that employ 50 or less employees (including self-employed individuals) and do not currently offer a retirement savings program to their employees;

- c. Communications and marketing outreach to eligible employers including details on communication messages, methods and expected direct contact;
  - d. Ability of each employer to access their own employees enrolled in the Program in terms of reporting and web access;
  - e. Ability of each participant to access their individual account across employers;
  - f. The employer plan set-up process including all necessary steps and documentation and how your firm proposes to ensure employer compliance with program and legal requirements;
  - g. The employee enrollment process including your proposed interface with employers for auto-enrolling employees;
  - h. Ongoing plan administration, including methods and support services provided to both employers and employees;
13. Describe in detail the various challenges your firm anticipates facing in administering this program and how your service approach would eliminate or minimize them.
  14. Describe in detail any variations or alternatives that the Board should consider.
  15. For any program design or operational requirement or feature that you believe could be cost-prohibitive, describe an appropriate alternative approach.
  16. What other issues would you recommend the Board consider when drafting a Request for Proposal for the Program Administrator?

### **Firm Qualifications and Experience**

17. Please describe your qualifications, availability, and interest in providing program administrator services for this program.
18. Describe how your firm is best suited to meet the needs of Secure Retirement with particular emphasis on program awareness and design, implementation, and ongoing administration.
19. Describe your experience designing, deploying, or administering defined contribution retirement programs or other initiatives to encourage retirement savings.
20. Describe your experience marketing multiple employer defined contribution retirement plans or similar programs. Please give specific examples of marketing initiatives that have proven successful.
21. What experience, if any, do you have with enrolling and servicing multiple employers in a similar retirement savings program? What did you learn as the result of this that will benefit the Program?
22. Provide a brief overview of your organization. The narrative shall include the following:
  - a. Date established;
  - b. Ownership (public, partnership, subsidiary, etc.);
  - c. Years active in the defined contribution market
  - d. Years your company has been active in the defined contribution business as it pertains to multiple employer plans
23. Please provide the following firm information:
  - a. Total assets under administration
  - b. Total defined contribution assets under administration
  - c. Total number of participants in all defined contribution plans currently administered by your organization?
  - d. Total MEP assets under administration
  - e. Total number of MEPs under administration
24. List the number and total MEP assets that your firm currently administers in the following categories:

Number of Participants	Plans		Assets	
	Number	Percent	Amount	Percent
Under 1,000				
1,001 – 5,000				
5,001 – 10,000				

Over 10,000				
<b>Total</b>				

### **5.3 CONTACT INFORMATION**

All communications concerning this Request for Information (RFI) are to be addressed in writing to the attention of: Al LaPerle, State of Vermont, Office of the Treasurer, 109 State Street, Fourth Floor, Montpelier, VT 05609. Al LaPerle is the sole contact for this RFI Response. Attempts by RFI Responders to contact any other party could result in the rejection of their RFI Response.

### **5.4 RFI RESPONSE SUBMISSION**

**CLOSING DATE:** The closing date for the receipt of RFI Responses is 3:00PM on March 9, 2018. **Responses** must be delivered via email to **Al.LaPerle@vermont.gov** prior to that time.

The responses will be received and reviewed by the Office of the Treasurer at **109 State Street, Fourth Floor, Montpelier, VT 05609**.

### **5.5 EXPLANATION OF EVENTS**

#### **1. Issuance of RFI**

This RFI is being issued by the State of Vermont, Office of the Treasurer. Additional copies of the RFI can be obtained from the Office of the Treasurer web site <http://www.vermonttreasurer.gov/content/green-mountain-secure-plan-rfi> or directly from the Al LaPerle at Al.LaPerle@vermont.gov.

#### **2. Deadline for Written Questions**

Potential respondents may submit questions regarding this RFI. Questions must be submitted in writing, by e-mail, to Al LaPerle at Al.LaPerle@vermont.gov and must be received by 4:00 PM Eastern Time on February 23, 2018.

#### **3. Submission of Responses**

Electronic submission of RFI responses should be sent to **Al.LaPerle@vermont.gov** no later than 3:00 PM Eastern Time on March 9, 2018.

Responses should be labeled, "Response to RFI – Green Mountain Secure Retirement Plan."

## **6 APPENDIX A: ADDITIONAL MATERIALS**

Please provide any other materials, suggestions, cost, and discussion you deem appropriate.