



CITY OF *Los Angeles*

DEFERRED COMPENSATION PLAN

Board Report 20-04

Date: February 18, 2020

To: Board of Deferred Compensation Administration

From: Staff

Subject: Request for Information for Financial Education and/or Investment Advisory Services

Board of Deferred Compensation Administration
John R. Mumma <i>Chairperson</i>
Thomas Moutes <i>Vice-Chairperson</i>
Raymond Ciranna <i>First Provisional Chair</i>
Robert Schoonover <i>Second Provisional Chair</i>
Wendy G. Macy <i>Third Provisional Chair</i>
Joshua Geller
Hovhannes Gendjian
Linda P. Le
Lita Payne

Recommendation:

That the Board of Deferred Compensation Administration (Board) approve and authorize the release of the proposed Request for Information (RFI) for Financial Education and/or Investment Advisory Services.

Discussion:

At its meeting on April 17, 2018, the Board directed the Plan Governance & Administrative Issues Committee (Committee) to review the merits and feasibility of offering financial education and investment advisory services for Deferred Compensation Plan (DCP) participants and develop recommendations for further consideration. At its meeting on November 26, 2019, the Committee considered staff's findings related to these services and approved staff's recommendations. At its meeting on December 10, 2019, the Board approved the Committee's and staff's recommendation to issue an RFI for financial education and investment advisory services. The Board directed staff to draft an RFI for review and approval.

A. RFI Design and Content

Staff has prepared a draft RFI for Financial Education and/or Investment Advisory Services (**Attachment A**). The purpose of the RFI is to: (1) obtain information from prospective service providers relative to their financial education and/or investment advisory service offerings; and (2) assist the City in evaluating options for expanding DCP financial education and/or investment advisory services based on proposer responses. A vendor may respond to the RFI regarding financial education services, investment advisory services, or both services.

This RFI incorporates the Employee Benefits Division (EBD) best practices for procurements, including the following:

- **Introduction/Background & Scope of Services** – Section 1 of the RFI provides detailed information to the vendor community regarding the DCP, including the DCP’s governance structure, demographic composition, investment options, and a review of the City’s existing financial education and investment advisory resources available to DCP participants. Section 2 describes the specific features of financial education and investment advisory services that would be required of the proposer.
- **Response Questionnaire** – The response questionnaire requests information in narrative and data-driven formats and will provide the basis by which staff will compare and assess, qualitatively and quantitatively, each proposer’s services and capabilities. Because the RFI is primarily intended to gather information, the questions are open-ended and provide vendors the opportunity to suggest service offerings the DCP has yet to consider. Additionally, per the Board’s direction at its last meeting, the questionnaire includes questions requesting the proposer to confirm if they (1) provide, sell, or derive income from the sale or referral of products and (2) will accept full liability and fiduciary responsibility for financial and/or investment advice and recommendations that are provided to a participant.
- **Engagement Exercise** – Engagement exercises are a best practice utilized by the EBD and have become a common practice for the DCP’s Requests for Proposals (RFP) over the last several years. The engagement exercise is an interactive exercise between the proposer and the rating panel in which the proposer participates in a dialogue with the EBD staff regarding a specific objective, administrative challenge, and/or policy initiative included within the Scope of Services of the RFI. The engagement exercise provides EBD staff the ability to assess the proposer’s personnel, approach to services, and skills for addressing the needs of the DCP and its participants.

A Review Committee will be designated to evaluate all proposals and generate recommendations to the Board. All written responses to the RFI questionnaire will be considered and evaluated. The Board may request oral presentations of all or the highest-ranked proposers.

Additional edits and final modifications may be made to the current draft RFI pending review by the City Attorney and the Personnel Department’s internal procurement specialists. With this qualification, staff recommends that the Board approve and authorize the release of the proposed RFI for Financial Education and/or Investment Advisory Services.

B. Next Steps

The purpose of an RFI is to assess the service capabilities of a vendor community. While an RFI is generally exploratory, it can be used to select a vendor and execute a contract, if desired by the Board. The Board may also use the findings of the RFI to develop a more exhaustive procurement through an RFP. Board decisions regarding next steps, if any, to take as a result of considering RFI results can be deferred until after RFI responses are evaluated.

The following project plan summary provides the timeline for the issuance, review, and decision-making of the draft RFI for financial education and/or investment advisory services:

Month(s)	Action	Status
February 2020	Board review and approval of draft RFI	Upcoming
February 2020	RFI is released	Upcoming
April 2020	RFI responses due	Upcoming
April – May 2020	RFI responses evaluated by staff	Upcoming
June 2020	Board consideration of staff's findings/recommendations	Upcoming

Submitted by:



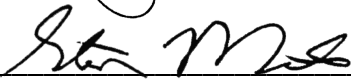
 Daniel Powell, Senior Personnel Analyst I

Submitted by:



 Jenny M. Yau, Senior Management Analyst II

Approved by:



 Steven Montagna, Chief Personnel Analyst

REQUEST FOR INFORMATION
FINANCIAL EDUCATION AND/OR INVESTMENT
ADVISORY SERVICES

City of Los Angeles Deferred Compensation Plan
Personnel Department, Employee Benefits Division
On behalf of the Board of Deferred Compensation Administration

Date Issued: **February X, 2020**

TITLE: **FINANCIAL EDUCATION AND/OR INVESTMENT
ADVISORY SERVICES FOR THE CITY OF LOS
ANGELES DEFERRED COMPENSATION PLAN**

MANDATORY PRE-SUBMISSION CONFERENCE/MEETING:

February X, 2020
City Hall
200 N. Spring Street, Room 805
Los Angeles, CA 90012
10:00 a.m. – 11:00 a.m.

SUBMISSION DELIVERY ADDRESS:

City of Los Angeles
Personnel Department, Employee Benefits Division
Attn: Jenny M. Yau
City Hall
200 N. Spring Street, Room 867
Los Angeles, CA 90012

DEADLINE FOR SUBMISSION: **March X, 2020** at 4:00 p.m. Pacific Standard Time

REQUEST FOR INFORMATION (RFI) ADMINISTRATOR:

Name: Jenny M. Yau
Phone: (213) 978-1597
Email: jenny.mach@lacity.org

REQUEST FOR INFORMATION
FINANCIAL EDUCATION AND/OR INVESTMENT ADVISORY SERVICES

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SECTION 1

INTRODUCTION/BACKGROUND

1.0 INTRODUCTION

The City of Los Angeles Personnel Department, Employee Benefits Division is issuing this Request for Information (RFI) for the purpose of: (1) obtaining information from prospective service providers with respect to their financial education and/or investment advisory service offerings and (2) assisting the City in evaluating options for expanding Deferred Compensation Plan (DCP) financial education and/or investment advisory services based on proposer responses.

1.1 PLAN OVERVIEW AND MISSION STATEMENT

Established in 1983, the City of Los Angeles Deferred Compensation Plan (DCP) is a tax-advantaged supplemental retirement savings program. DCP was established pursuant to City of Los Angeles Administrative Code, Division 4, Chapter 14 and in conformity with Internal Revenue Code (IRC) Section 457. All DCP assets are held in trust for the exclusive benefit of DCP participants and their beneficiaries. **The mission of the City's DCP is to assist eligible City employees in achieving retirement income security.**

1.2 PLAN GOVERNANCE & ADMINISTRATION

The Board of Deferred Compensation Administration ("the Board") administers the DCP. The nine-member Board includes three elected active employee representatives from the Los Angeles City Employees' Retirement System ("LACERS"), Fire and Police Pensions System ("LAFPP"), and Department of Water and Power Employees' Retirement Plan ("WPERP"); an elected retirement participant representative; the LACERS General Manager; the LAFPP General Manager; the WPERP Retirement Plan Manager; the Personnel Department General Manager; and a certified Union Representative. The Board has administrative responsibility, including contract authority, for the DCP.

Eligibility to participate in the DCP is based on whether an employee is a contributing member of LACERS, LAFPP, or WPERP. Current eligible populations and participation rates (meaning an eligible employee holds an account balance in the DCP) are summarized in the following table:

Pension System	DCP-Eligible Full-Time Employees	Participation Rate
LACERS	25,247	66.1%
LAFPP	13,516	90.8%
WPERP	10,657	69.4%
	49,420	73.6%

As of December 31, 2020, the DCP had \$7.1 billion in assets and approximately 37,195 active and 12,703 retired participants (for a total of 49,898). More detailed information regarding the DCP is included in its 2018 Annual Report, which can be found at <https://LA457.com/annual-reports> or reports provided to the Board and published on the DCP website at LA457.com.

The City's Personnel Department, Employee Benefits Division (EBD) provides primary staff support to the Board and is responsible for day-to-day administration of the DCP. EBD staff performs the following primary functions:

- Develop policy and plan design recommendations;
- Function as a liaison to DCP service providers;
- Administer all DCP-related contracts; and
- Facilitate all aspects of employee/beneficiary participation in the DCP.

The Office of the City Attorney serves as the Board's legal counsel and provides legal support for the DCP which includes reviewing procurements and contracts, ensuring compliance with State and federal laws, and providing guidance in regards to various administrative functions, such as beneficiary claims and processing Qualified Domestic Relations Orders (QDROs).

The Board contracts with Voya Financial ("Voya") to provide third-party administration of the DCP, including recordkeeping, enrollment, counseling, and communications services. The DCP utilizes Voya to provide passive trustee services, which fulfills the federal and Los Angeles Administrative Code requirements that all DCP assets be held in trust for the exclusive benefit of DCP participants and their beneficiaries.

As of December 31, 2020, the DCP offered the following investment options in its investment menu:

Investment Option	Provider	Account Type
DCP FDIC-Insured Savings Account	Bank of the West	Savings Account
	East West Bank	Savings Account
DCP Stable Value Fund	Galliard Capital Management	Separate Account
DCP Bond Fund	Loomis Sayles Core Plus Bond	Mutual Fund
	Vanguard Total Bond Market Index Institutional Plus	Mutual Fund
DCP Large-Cap Stock Fund	Vanguard Institutional Index Plus	Mutual Fund
DCP Mid-Cap Stock Fund	Vanguard Mid-Cap Index Fund	Mutual Fund

	Institutional	
	Virtus Ceredex Mid-Cap Value Equity Fund	Mutual Fund
	Voya Mid-Cap Opportunities Fund	Mutual Fund
DCP Small-Cap Stock Fund	Vanguard Small Cap Index Fund	Mutual Fund
	DFA US Small Cap Value Portfolio	Mutual Fund
	Hartford Small Cap Growth HLS Fund	Mutual Fund
DCP International Stock Funds (not blended)	MFS Institutional International Equity Fund	Mutual Fund
	Brandes International Small Cap Equity Fund	Mutual Fund
	DFA Emerging Markets Core Equity Portfolio	Mutual Fund

1.3 CITY OF LOS ANGELES RETIREMENT SAVINGS STRUCTURE

The City of Los Angeles offers three defined benefit retirement/pension plans for its regular full-time and half-time employees, one supplemental savings plan that is available to all members of the defined benefit plans, and one plan for the City’s part-time, seasonal, and temporary (PST) employees. These plans are provided below:

Retirement Plan	Type	Active Members	Retired Members
Los Angeles City Employees’ Retirement System (LACERS)	Defined Benefit	26,042*	27,407*
Los Angeles Fire and Police Pensions (LAFPP)	Defined Benefit	13,442*	39,756*
Water and Power Employees’ Retirement Plan (WPERP)	Defined Benefit	10,114*	7,199*
City of Los Angeles Deferred Compensation Plan (DCP)	Defined Contribution	37,195***	12,703***
City of Los Angeles Pensions Savings Plan (for PST employees)	Defined Contribution	8,864+	39,362+

*As of fiscal year 2017-18; **As of 11/30/19; ***As of 12/31/2019.

City employees do not contribute into Social Security and are mandatory members of either one of the three defined benefit systems above or the Pension Savings Plan. As a result, for most of the workforce (particularly those who spend most or the bulk of their careers in City employment), their retirement income will be driven primarily by a combination of their defined benefit and defined contribution plan income.

1.4 FINANCIAL EDUCATION AND INVESTMENT ADVISORY SERVICES

From the City’s perspective, financial education and investment advisory services are approached as two distinct potential areas of service offerings. For the purpose of this RFI, each service incorporates the following key characteristics:

FINANCIAL EDUCATION
 Providing participants with information and tools for approaching financial needs and objectives holistically, including topics such as savings, debt, insurance, etc.

INVESTMENT ADVICE
 Providing participants with specific recommendations regarding selections of and changes to investments (can include both inside and outside the DCP)

1.5 CURRENT FINANCIAL EDUCATION AND INVESTMENT ADVISORY SERVICE OFFERINGS

Historically, the DCP has focused narrowly on education related to saving for retirement through the DCP. Engagement and informational resources are offered through local retirement counselors provided through the DCP's Third-Party Administrator (TPA), Voya. Retirement counselors staffed by the TPA can educate participants on the types of investment options the DCP offers and the potential benefits of utilizing the DCP's risk-based portfolios and other core investment options to manage risk through diversification, but they cannot provide investment advice or otherwise directly manage a participant's investments. In addition, TPA retirement counselors do not provide general financial education on topics beyond retirement saving.

The financial education and investment advisory services presently available to City employees within and outside DCP are provided below. These service offerings are provided on a fragmented basis, where benefit design and administration are divided among a range of employer, department, and union sponsors.

Financial Education Services

- (1) Employee Assistance Program (EAP) Services – An EAP is an employer-sponsored resource designed to assist employees in resolving a wide range of life challenges, including but not limited to financial matters. Most City employees have access to an EAP, although the service offerings vary across each product offering. The LAwell Civilian Benefits Program (LAwell Program) provides an Employee and Family Assistance Program (EFAP) for most full-time and half-time civilian employee LACERS members; the Los Angeles World Airports (LAWA), and Harbor Department offer separate programs for their LACERS members. Through their unions, sworn Police and Fire employees have separate EAPs for most LAFPP members, and the Department of Water and Power (DWP) has its own EAP for WPERP members. While each program design is different, insofar as financial topics are concerned they generally offer group education at employee worksites, limited free financial coaching on a per-topic basis, and referrals to employee-paid financial services.
- (2) Los Angeles Fire & Police Pensions (LAFPP) Financial Counseling – LAFPP is currently piloting a financial counseling program for Deferred Retirement Option Plan (DROP) members only (DROP is an *optional voluntary* program that allows members eligible for retirement to work as an active employee while accumulating service pension payments in a DROP account). LAFPP utilizes Cambridge Financial Partners, LLC, to provide members with a financial review. Its advisors are familiar with LAFPP benefits and offer guidance on all aspects of the employee's finances. The cost to members is \$275 per session. The program follows a three-step process beginning with a one-hour meeting where a member provides the advisor with relevant financial information. The second meeting is a follow-up to collect any additional information, discuss the member's financial

goals, and input the information into retirement planning software called “Trak.” Finally, the third step is a one-hour meeting where the advisor and member review the advisor’s findings and the entirety of the financial plan, including budgeting, taxes, retirement, long-term care, insurance, and estate planning. The advisor does not offer investment advice and is not permitted to sell any financial products.

- (3) Los Angeles Protective League (LAPPL) Financial Counseling – LAPPL is a union that represents about 10,000 sworn Police officers of the Los Angeles Police Department. In November 2019, LAPPL introduced a new financial wellness resource called PlanSmart offered through the Metropolitan Life Insurance Company (MetLife) and Ernst and Young (EY). This program provides LAPPL members telephonic and electronic access to EY financial planners. In addition to offering general financial education on common topics like money management, debt management, and retirement planning, the planners are trained in topics unique to LAPPL members like DROP and the DCP. This program is offered free of charge to LAPPL members.

Investment Advisory Services

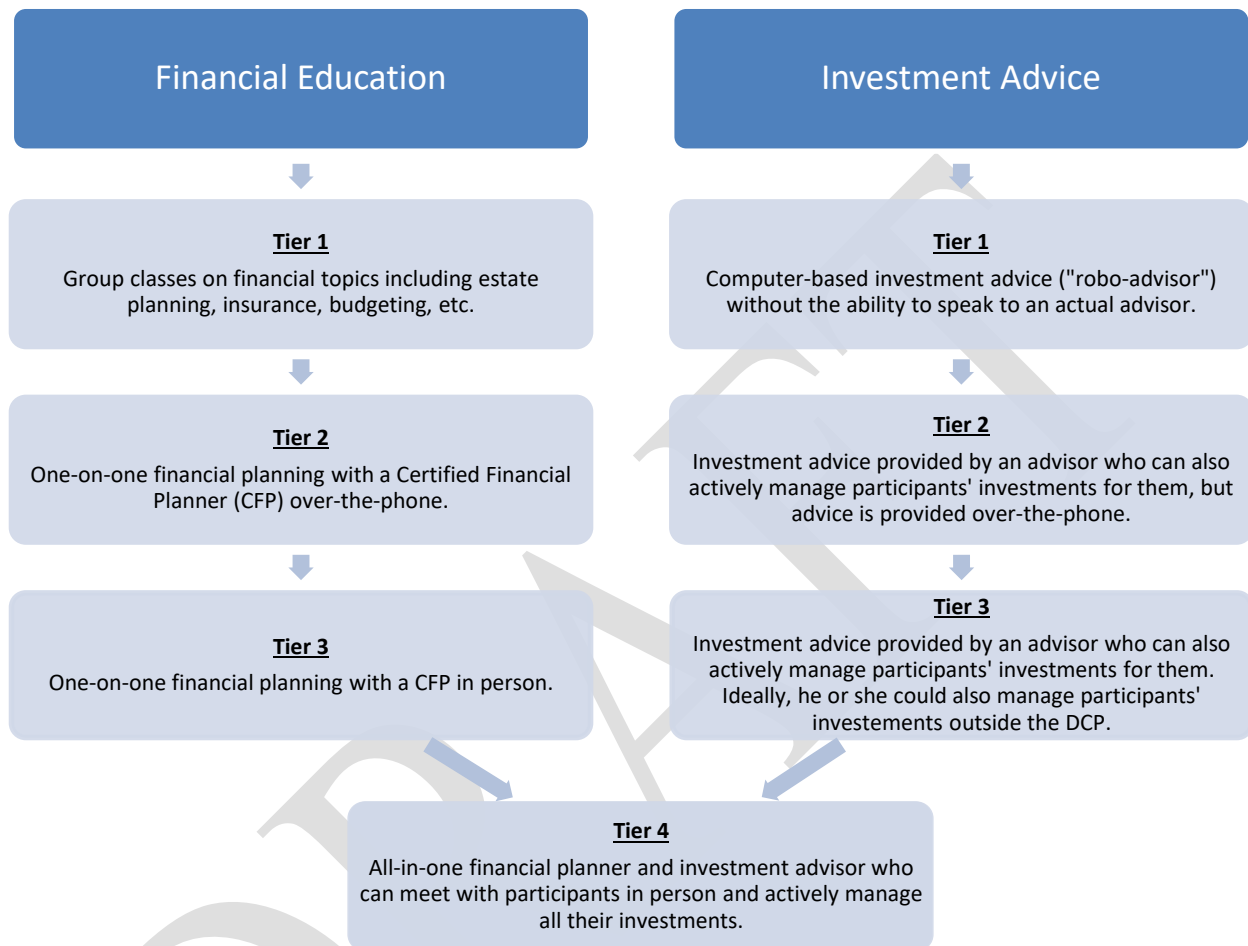
- (1) Self-Directed Brokerage Option (SDBO) and Schwab Intelligent Advisory – DCP participants who utilize the DCP’s SDBO can authorize an investment advisor to fully manage their SDBO assets on their behalf. The participants are also able to compensate their advisors directly from their SDBO balance. The investment advisor is, therefore, providing not only advice but direct account management.

1.6 POTENTIAL SERVICE PROVIDER OFFERINGS

Eligibility for most City benefit programs is restricted to membership in a pension plan, union, department, or employee association. The DCP is a unique City benefit in that it represents a single program and resources for the entire full-time City workforce, including its civilian, sworn, and Department of Water and Power (DWP) employee populations. Given its positioning as a benefit for all City employees, the DCP has a unique opportunity to engage and educate the City’s full-time workforce throughout their careers. Through this RFI the City seeks to gain a broader understanding of the features and costs of financial education and/or investment advisory service available from prospective service providers in order to evaluate the merits of providing such services to DCP participants.

Key variables in evaluating the merits of expanding the DCP’s current offerings include (a) whether services are personalized or automated, (b) if personalized, whether services are provided one-on-one or in a group setting, (c) how service providers assume and manage fiduciary responsibilities for providing their services, and (d) whether the construction of product fees can be applied equitably and in the best interests of DCP participants and protect participants from being marketed other products and services, directly or indirectly, outside the specific services that are the subject of this RFI. For investment advisory services, an additional variable is whether the advisor can manage

investment assets outside of the DCP. The following table provides a general overview of the potential service offerings that the City is considering and for which proposers are requested to provide information.



Tier 1 services are largely duplicative of resources already provided to full-time City employees through either the DCP or through EAPs as described in Section 1.5 of this RFI. Tier 2 financial education services are less available but are generally offered to current City employees via a referral through the EAP service in which the employee typically pays a separate fee to utilize that service. The DCP also currently provides a very limited Tier 2 investment advisory service for those participants utilizing the SDBO option. In considering expanding the DCP’s service offerings, as DCP participants place high value on in-person interactions and service, **the City is most interested in proposer responses for services that exist in Tier 3 and/or Tier 4.** Additionally, **the City strongly prefers fixed dollar rather than asset-based fees, as the content and value of the services provided by any vendor are not expected to meaningfully vary by the mere size of an account balance.**

The City considers an ideal service offering to be one in which participants pay a non-variable flat fee and can meet one-on-one with an advisor in-person who can provide a

holistic and comprehensive assessment and guidance for their finances, which would include ongoing management of all their investments (including outside the DCP), if so desired. Under this ideal service offering, the vendor would also not provide, sell, or derive any income from the sale or referral to other affiliated companies of any financial education or investment products to DCP participants.

In considering expanding the DCP's service offerings in the financial education and investment advisory area, the City also requires that the vendor accept full liability and fiduciary responsibility for any financial and/or investment advice and recommendations provided to a participant by the vendor. Proposers will be required to provide information in the RFI Questionnaire regarding their ability to assume and manage liability and fiduciary obligations.

To gain a better understanding of the financial education and investment advisory services currently being offered in the retirement industry and how these services align with the City's ideal service offering, the following factors will be evaluated in proposer responses:

- Proposer capabilities in offering financial education and/or investment advisory services within Tier 3 and/or Tier 4
- Subscription versus asset-based fee structures
- Provision of income from the sale or referral of investment products
- Personalized and/or group education or advice versus web-based services

The City highly values vendor proposals reflecting the vendor's ability to be an innovative leader in product and service design and describing a service model consistent with the City's ideal service offering.

1.7 DEFINITIONS OF TERMS

The following terms used in the RFI document shall be defined as follows:

"The Board" means the City of Los Angeles Board of Deferred Compensation Administration.

"The City" means the City of Los Angeles.

"Contractor" means the individual, partnership, corporation, or other entity to which a contract is awarded, and shall be synonymous with the term "Vendor."

"DCP" means the City of Los Angeles Deferred Compensation Plan, established pursuant to Section 457 of the Internal Revenue Code ("IRC"), and shall be synonymous with the term, "Plan."

"Employee Benefits" means the Employee Benefits Division of the City of Los Angeles Personnel Department.

"Proposer" means a respondent to this RFI.

"RFI" means this Request for Information.

“RFI Administrator” means the Personnel Department administrator serving as the primary point of contact for this RFI as identified on page 1 of this RFI.

“RFP” means Request for Proposal.

“Third-Party Administrator (TPA)” means the City’s TPA for the DCP, Voya.

1.8 CONTRACTING OPPORTUNITY & TERM

The City may award a contract pursuant to this RFI or conduct a more exhaustive procurement through a Request for Proposal (RFP). This decision will be dependent on an evaluation of the responses submitted to the RFI Questionnaire in meeting the City’s ideal service offerings for providing financial education and/or investment advisory services to participants of the DCP as described in Section 1.6. A contract awarded pursuant to this RFI is subject to the successful negotiation of all necessary contractual terms and conditions with the selected vendor, including compliance with the City’s General Contracting Requirements and Standard Provisions.

1.9 RFI CONTACT INFORMATION

The Board and Personnel Department staff are committed to ensuring that all DCP business transactions, including its search and procurement processes, are based strictly on integrity, competence, merit, and benefit to DCP participants and their beneficiaries. As a matter of policy, Board members and staff will not communicate with current or prospective vendors or their representatives, or any other person or organization, for the purpose or intent of having a particular vendor secure or maintain a contract or business with the DCP, or otherwise realize financial gain from the DCP, whether during or outside of a procurement process.

In support of this, and to ensure the transparency and objectivity of this process, all communications and questions regarding or related to the services included in this RFI should be directed **exclusively in writing** as follows:

- Jenny M. Yau, Senior Management Analyst II
City Hall
200 N. Spring Street, Room 867
Los Angeles, CA 90012
jenny.mach@lacity.org

1.10 PROPOSAL TIMELINE, MANDATORY PRE-SUBMISSION CONFERENCE, AND QUESTIONS REGARDING THE RFI

The City may award a contract, in a form approved by the City Attorney, to the selected Proposer. Written proposals submitted to the City constitute a legally binding contract offer and shall remain open for twelve (12) months. It is requested that proposals be prepared simply and economically, avoiding the use of unnecessary promotional material. If a Proposer is deemed non-responsive during the proposal process, the Proposer will be eliminated from further consideration of this RFI.

1.10.1 Proposal Timeline

The following is the current timeline for the RFI process. The City reserves the right to adjust this schedule. Changes to the timeline, if any, will be posted online as an RFI Addendum.

Target Dates	Event
February X, 2020	Request for Information Released
February X, 2020	Deadline for receiving written questions for the mandatory Pre-Submission Conference is 4:00 p.m. PST
February X, 2020	Deadline to register to participate in the mandatory Pre-Submission Conference by telephone is 4:00 p.m. PST
February X, 2020 10:00 AM to 11:00 AM PST	Mandatory Pre-Submission Conference is at: City Hall 200 N. Spring Street, Room 805 Los Angeles, CA 90012
March X, 2020	RFI responses due by 4:00 p.m. PST to: Personnel Department, Employee Benefits Division City Hall 200 N. Spring Street, Room 867 Los Angeles, CA 90012

1.10.2 Mandatory Pre-Submission Conference

A **mandatory** Pre-Submission Conference will be held to provide information regarding the RFI requirements and answer questions from prospective Proposers. The Pre-Submission Conference will also give Proposers and potential subcontractors the opportunity to network. City staff will not provide assistance regarding a Proposer's individual RFI response.

The Pre-Submission Conference has been scheduled pursuant to the schedule noted in the Proposal Timeline. Potential Proposers may participate by physically attending or by calling in to the conference. Participants will be asked to identify themselves by name and firm.

If you intend to participate by telephone, pre-register by contacting the RFI Administrator by the deadline noted in the Proposal Timeline. The City will provide a call-in number at that time for those interested in participating by telephone. Attendance will be taken at the **beginning** and **end** of the Pre-Submission Conference. Proposers attending by phone must remain for the duration of the Pre-Submission Conference. Failure to attend and remain through the end of the Pre-Submission Conference will result in your firm being deemed **non-responsive** and ineligible to submit a proposal in response to this RFI.

It is to your benefit to bring your own copy of the RFI to the conference. No copies will be provided at the Pre-Submission Conference.

1.10.3 Questions Regarding the RFI

To maximize the effectiveness of the conference, to the extent possible, Proposers should provide questions in writing prior to the Pre-Submission Conference in accordance with the deadline noted in the Proposal Timeline. This will enable the City to prepare responses in advance.

All questions regarding the RFI should be submitted in writing and sent via e-mail to the RFI Administrator. All questions should identify the RFI title on the subject line of your email. All questions should identify the RFI section and page number for each question submitted. Additional questions may be accepted and addressed at the Pre-Submission Conference. However, responses may be deferred and posted online as addenda to the RFI at a later date.

The City will make every effort to respond to all written questions as soon as practical. All questions and responses to questions, or any other changes to or interpretation of the RFI, will be posted online at www.labavn.org. Any such changes or interpretations shall become a part of this RFI and may be incorporated into any contract awarded pursuant thereto.

1.11 RFI PROPOSAL SUBMISSION DEADLINE

Responses to this RFI must be submitted on paper and an electronic copy must be received by the RFI Administrator by the Proposal Submission Deadline noted on page one of this RFI and the Proposal Timeline. Electronic portions, as specified further in this RFI, must be received no later than this date/time as well. **Late responses (i.e., proposals received after the RFI Proposal Submission Deadline) will not be considered and returned unopened to the Proposer.** The City reserves the right to extend the RFI Proposal Submission Deadline. Responses beyond the final submission deadline will not be considered.

SECTION 2

SCOPE OF SERVICES

A Proposer may submit a proposal or proposals for financial education and/or investment advisory services. Proposals for each category will be evaluated separately. **Fee proposals must be made separately for each category of services.**

The City is seeking to obtain information from prospective service providers relative to providing financial education and/or investment advisory services for participants of the DCP as follows:

1. Financial Education Services

- Assign experienced and licensed professionals to provide one-on-one individual financial counseling services to participants of the DCP covering topics such as cash and debt management, budgeting, retirement planning, insurance planning, college saving, tax planning, home purchase planning, eldercare planning, and related topics.
- Conduct a comprehensive financial health assessment of a participant's financial situation, assist the participant in setting goals, and create a customized plan to manage their finances such as reducing debt, increasing savings, establishing and building good credit, etc.
- Assist participants of the DCP to assess their financial needs in retirement and develop strategies to meet those needs.
- Assist participants of the DCP to assess their various sources of retirement income, life insurance, and investment strategies and how they will affect and meet those needs.
- Track and measure progress of participants' goals in achieving meaningful, defined outcomes aimed at enhancing financial stability.

2. Investment Advisory Services

- Assist participants of the DCP in assessing their investment elections in relation to their retirement and financial goals.
- Provide education to participants regarding the DCP's investment menu.
- Provide investment advice and direction for participants' DCP and outside investments in accordance with their stated goals.
- Provide account management services for participants' DCP and outside investments in accordance with their stated goals.
- Track and measure progress of participants' DCP and outside investments in achieving their stated goals.

SECTION 3

RESPONSE QUESTIONNAIRE

QUESTIONS	ENTER RESPONSES IN THIS COLUMN
ORGANIZATIONAL BACKGROUND	
(All firms responding to the RFI are required to respond to questions in this section.)	
1.	<p>Provide a cover letter limited to no more than two pages. Include the following information in the cover letter:</p> <ul style="list-style-type: none"> a) Contact name of the person authorized to represent the Contractor, including address, telephone number, and email address b) Contractor name, business address, phone number, company website, type of legal entity (corporation, Limited Liability Company, joint venture, partnership, etc.), location of headquarters, and names and locations of subsidiaries, if any c) A short description of the organization including: <ul style="list-style-type: none"> • Number of years in business • Average tenure of senior management • Number of personnel (full-time, part-time, and seasonal) at each firm location • Type of businesses and services in which the Contractor primarily engages • Number of clients served (please identify public and private sector clients and the size of each of your clients) • All business names used and affiliated companies of the Contractor, if any d) A summary description of your financial education and/or investment advisory service offerings. This information may be of any length chosen by your firm and may include responses to questions that are posed later in this questionnaire. If this overview does include responses to questions posed later in the questionnaire, please make sure that when providing responses to those questions you either repeat the response information or make reference to where in the overview the information was provided.
FINANCIAL EDUCATION SERVICES	
(Only required for firms responding to the Financial Education Services portion of the RFI.)	
2.	Please briefly describe your service offering and experience in providing financial education services within Tier 3 and/or Tier 4 as described within this RFI, including the number of years providing this type of service to public and private sector clients. Please also include a brief statement of your firm’s approach toward providing financial education services and what differentiates your firm from your competition.
3.	Identify the number of clients to whom you provide financial education services within Tier 3 and/or 4 similar in design or scope to the services described in this RFI. For your top three clients describe the services your firm provides that are similar to the financial education services for which the City is soliciting, the number of employees/participants who are receiving services, and the approximate compensation or annual contract amount (the identity of those clients is not required).
4.	Regarding the experience statistics provided above, describe what you consider to be your core (i.e. your primary client base) service market. As a potential client, describe how the

	City's requested services for financial education services within Tier 3 and/or Tier 4 do or do not fit within your core market segment.	
5.	Describe what types of services or support you would provide to a participant with respect to developing a personal financial plan. Please describe the process and the factors you consider in developing a customized plan for a client's needs. If you prepare or assist with the preparation of creating a personal financial plan, please provide a sample.	
6.	Describe what tools or instruments you use to measure the success of providing financial education services to your clients. How do you measure the progress of individuals in achieving personal financial wellbeing and security?	
7.	Describe what tools or instruments (e.g. online courses, articles, webinars, calculators, etc.) you provide to your clients to empower them to effectively manage their finances on topics such as debt management, budgeting, and retirement planning.	
8.	Describe any class or group education resources you provide as part of your services, including the content and topics available, and any limits or conditions applying to providing such resources to participants.	
9.	Identify the licenses, other credentials/designations, affiliations, special knowledge, and qualifications held by your firm and key managers to provide the financial education services in Tier 3 and/or Tier 4 as described in this RFI.	
10.	For the individuals assigned to provide financial education services, please provide the following information: <ul style="list-style-type: none"> ➤ Work experience/qualifications ➤ Tenure with firm ➤ If there is more than one individual, indicate who will be the primary liaison and describe their roles and areas of expertise ➤ Where the individual(s) is/are located ➤ Describe the caseload for your primary liaison by listing other clients handled by that individual ➤ An organization chart for the team that would be assigned to provide these services to the City 	
11.	DCP participants place high value on in-person interactions and service. Please identify if you maintain an office within the greater Los Angeles area with sufficient qualified local staff assigned to it to provide financial education services within Tier 3 and/or Tier 4 as described within this RFI.	
12.	Indicate whether you would or would not consider submitting a proposal for providing financial education services within Tier 3 and/or Tier 4 as described within this RFI on either: <ol style="list-style-type: none"> 1) A stand-alone basis or 2) Combined with investment advisory services 	
13.	For the financial education services identified in the Scope of Services, identify any exceptions, deviations, or alternations you would propose if you cannot specifically provide these services within Tier 3 and/or Tier 4.	
14.	Please indicate if your firm provides, sells, or derives any income from the sale or referral to other affiliated companies of any financial education products to participants. If yes, please describe.	
15.	The City prohibits the sale of any financial education products, including solicitations or referrals to other affiliated companies or products. Identify if you would agree to this restriction. If your answer is that you would not agree, please explain the reasons for such.	
16.	Indicate whether and how your firm assumes all fiduciary and liability obligations related to the provision of services included within this section, including any protections (or limitations on protections) provided to plan sponsors as part of an executed contract.	
FINANCIAL EDUCATION SERVICES – FEES		
(Only required for firms responding to the Financial Education Services portion of the RFI.)		

17.	<p>Please describe the fees you would charge for financial education and/or investment advisory services within Tier 3 and/or Tier 4, to address any of the following potential costs and fee structures:</p> <ul style="list-style-type: none"> • Dollar or subscription or asset-based participant fee and whether these fees are fixed or variable or include fee caps • Pricing differentials based upon the number of eligible or actual participant accounts and how and when measurements of eligible or actual participant accounts are conducted • What conditions apply to participants opting in and out of your services, incurring any potential financial penalties or additional fees for terminating their participation • Cost-of-living fee adjustments, if any • Purchase of software or materials • Fees to generate reports <p>Mark “N/A” for any categories which are not applicable. Add additional categories you may use which are not included in this list.</p> <p>Please note that the City will not accept a fee structure which provides for annual or other inflation/adjustments over the term of a contract. A single set of rates must be proposed which will be guaranteed for the length of the contract.</p> <p>Please note that the City will not pay for mileage, parking, travel, internal printing and copying, or computer time as these are considered part of the normal cost of doing business.</p> <p>Finally, do not include California State sales tax in prices quoted unless otherwise requested. If requested, sales tax must be identified as being included in the pricing. Additionally, the City is exempt from the payment of excise taxes imposed by the Federal Government. Such taxes must not be included in the proposed prices. Federal excise exemption certificates will be furnished by the Department of General Services upon request.</p>	
INVESTMENT ADVISORY SERVICES (Only required for firms responding to the Investment Advisory Services portion of the RFI.)		
18.	Please briefly describe your service offering and experience in providing investment advisory services within Tier 3 and/or Tier 4 as described within this RFI, including the number of years providing this type of service to public and private sector clients. Please also include a brief statement of your firm’s approach toward providing investment advisory services and what differentiates your firm from your competition.	
19.	Identify the number of clients to whom you provide investment advisory services within Tier 3 and/or 4 similar in design or scope to the services described in this RFI. For your top three clients describe the services your firm provides that are similar to the investment advisory services for which the City is soliciting, the number of employees/participants who are receiving services, and the approximate compensation or annual contract amount.	
20.	Regarding the experience statistics provided above, describe what you consider to be your core (i.e. your primary client base) service market. As a potential client, describe how the City’s requested services for investment advisory services within Tier 3 and/or Tier 4 do or do not fit within your core market segment.	
21.	Describe what tools or instruments you use to measure the success of providing investment advisory services to your clients. How do you measure the progress of individuals in achieving their investment-related goals?	

22.	Describe what tools or instruments (e.g. online courses, articles, webinars, calculators, etc.) you provide to your clients to be smart investors and help them achieve their investment-related goals.	
23.	Describe any class or group education resources you provide as part of your services, including the content and topics available, and any limits or conditions applying to providing such resources to participants.	
24.	Identify the licenses, other credentials/designations, affiliations, special knowledge, and qualifications held by your firm and key managers to provide the investment advisory services in Tier 3 and/or Tier 4 as described in this RFI.	
25.	For the individuals assigned to provide investment advisory services, please provide the following information: <ul style="list-style-type: none"> ➤ Work experience/qualifications ➤ Tenure with firm ➤ If there is more than one individual, indicate who will be the primary liaison and describe their roles and areas of expertise ➤ Where the individual(s) is/are located ➤ Describe the caseload for your primary liaison by listing other clients handled by that individual ➤ An organization chart for the team that would be assigned to provide these services to the City 	
26.	DCP participants place high value on in-person interactions and service. Please identify if you maintain an office within the greater Los Angeles area with sufficient qualified local staff assigned to it to provide investment advisory services within Tier 3 and/or Tier 4 as described within this RFI.	
27.	Indicate whether you would or would consider submitting a proposal for providing investment advisory services within Tier 3 and/or Tier 4 as described within this RFI on either: <ol style="list-style-type: none"> 1) A stand-alone basis or 2) Combined with financial education services 	
28.	Indicate whether you would or would not consider submitting a proposal for providing investment advisory services which includes both DCP assets and assets outside the DCP. If your answer is that you would not include assets outside the DCP, please explain the reasons for such.	
29.	For the investment advisory services identified in the Scope of Services, identify any exceptions, deviations, or alternations you would propose if you cannot specifically provide these services within Tier 3 and/or Tier 4.	
30.	Please indicate if your firm provides, sells, or derives any income from the sale or referral to other affiliated companies of any investment products to participants. If yes, please describe.	
31.	The City prohibits the sale of any investment products, including solicitations or referrals to other affiliated companies or products. Identify if you would agree to this restriction. If your answer is that you would not agree, please explain the reasons for such.	
32.	Indicate whether and how your firm assumes all fiduciary and liability obligations related to the provision of services included within this section, including any protections (or limitations on protections) provided to plan sponsors as part of an executed contract.	
INVESTMENT ADVISORY SERVICES – FEES		
(Only required for firms responding to the Investment Advisory Services portion of the RFI.)		
33.	Please describe the fees you would charge for financial education and/or investment advisory services within Tier 3 and/or Tier 4, to address any of the following potential costs and fee structures: <ul style="list-style-type: none"> • Dollar or subscription or asset-based participant fee and whether these fees are fixed or variable or include fee caps 	

	<ul style="list-style-type: none"> • Pricing differentials based upon the number of eligible or actual participant accounts and how and when measurements of eligible or actual participant accounts are conducted • What conditions apply to participants opting in and out of your services, incurring any potential financial penalties or additional fees for terminating their participation • Cost-of-living fee adjustments, if any • Purchase of software or materials • Fees to generate reports <p>Mark "N/A" for any categories which are not applicable. Add additional categories you may use which are not included in this list.</p> <p>Please note that the City will not accept a fee structure which provides for annual or other inflation/adjustments over the term of a contract. A single set of rates must be proposed which will be guaranteed for the length of the contract.</p> <p>Please note that the City will not pay for mileage, parking, travel, internal printing and copying, or computer time as these are considered part of the normal cost of doing business.</p> <p>Finally, do not include California State sales tax in prices quoted unless otherwise requested. If requested, sales tax must be identified as being included in the pricing. Additionally, the City is exempt from the payment of excise taxes imposed by the Federal Government. Such taxes must not be included in the proposed prices. Federal excise exemption certificates will be furnished by the Department of General Services upon request.</p>	
34.	Discuss and provide illustrations of how your proposed fee structure would impact participants with DCP account balances of \$50,000 or less; between \$50,000-\$200,000; and over \$200,000.	
ADDITIONAL SERVICES AND INFORMATION		
35.	Describe any additional services you would propose or alternatives to the financial education and investment advisory service options outlined in this RFI.	
36.	Provide any additional information that you believe would be beneficial to the City in assessing your response to the RFI Questionnaire.	
37.	Provide any information on how you observe your fiduciary responsibilities under California and Federal law and the types of controls put in place to ensure adherence with your fiduciary responsibilities	

SECTION 4

REVIEW OF RESPONSES

4.0 Review Process

A Review Committee will be designated to evaluate all proposals and generate recommendations to the Board. All written responses to the RFI questionnaire will be considered and evaluated. If a contract is awarded pursuant to this RFI, the award of the contract is subject to successful negotiation of the terms and conditions of an agreement and compliance with all of the City's general contracting requirements and standard terms and conditions.

The Personnel Department review process will include the following:

- 1. Written Responses** – All written responses to the RFI questionnaire will be reviewed.
- 2. Written Follow-Up Questions** – The City reserves the right to pose additional questions in writing in order to clarify any information provided in response to this RFI.
- 3. Engagement Exercise(s)** – Qualified Proposers may be invited to participate in one or more engagement exercises with the Review Committee. An engagement exercise is an interactive discussion between the Proposer and the Review Committee regarding specific services, administrative challenges, and/or policy initiatives included within the Scope of Services of the RFI. Should they occur, the engagement exercise(s) will occur on a date to be determined by the City. Proposers will receive more detailed information with respect to the background, details, and questions for each topic prior to the engagement exercise(s).
- 4. Oral Presentations** – The Board reserves the right to request oral presentations of all of or the highest-ranked Proposers.