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DEFERRED COMPENSATION PLAN BOARD REPORT 05-12



Date: April 5, 2005
To: Board of Deferred Compensation Administration
From: Staff
Subject: RFP for Core Bond & Core Mid-Cap Investment Funds

Recommendation

That the Board of Deferred Compensation Administration approve the attached draft RFP for Core Bond and Core Mid-Cap investment funds, and authorize its immediate release.

Discussion

In July 2004 the Board directed staff to develop a Request for Proposal (RFP) for a Core Bond and Core Mid-Cap investment fund. At that time, the Board's consultant, Mercer Investment Consulting, had completed a performance review for the City's investment options. Mercer's finding was that the incumbent Core Bond offering, the **MSIF Trust Core Plus Fixed Income Fund**, should be carefully monitored based on significant changes in the Fund's management.

Staff therefore proposed, and the Board approved, placing this investment category out to bid. In addition, staff proposed, and the Board approved, a bid process to add a Mid-Cap Core offering within the City's fund lineup, both as a stand-alone offering and for inclusion within the Plan's Asset Allocation, or "Profile," funds.

Staff has worked together with Mercer and Personnel Department contract/RFP specialists in developing the attached RFP. Staff recommends that the Board approve the RFP and authorize its immediate release.

Submitted by:

Steven Montagna

Approved by:

Maryanne Keehn