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# DEFERRED COMPENSATION PLAN BOARD REPORT 08-35



Date: October 7, 2008

To: Board of Deferred Compensation Administration

From: Staff

Subject: Consulting Services Request for Proposal

Recommendation:

That the Board of Deferred Compensation Administration approve the selection of Mercer Investment Consulting to provide Deferred Compensation Plan Investments, Plan Administration, and Communications consulting, and authorize the Board Chairperson to execute the necessary contract.

Discussion:

Staff released the Board's Request for Proposal for Consulting Services on June 12, 2008. Responses were due on August 6, 2008. Two firms submitted responses: Mercer Investment Consulting and ABG Consultants. Both firms were found to be compliant with the City's Standard Provisions requirements.

The Board established a Review Committee to evaluate the responses and develop a recommendation for selection. The Review Committee consisted of staff members Maryanne Keehn and Steven Montagna. Each Review Committee member independently reviewed and rated the written responses.

As a result of their evaluation, the Review Committee recommends that Mercer Investment Consulting be selected as the provider for each of the three consulting fields included within this RFP: **Plan Administration, Investments** and **Communications**. The summary scoring totals for each consulting field are included below (a more detailed scoring summary is provided as Attachment A).

| Consulting Field    | Mercer | ABG Consultants |
|---------------------|--------|-----------------|
| Plan Administration | 373    | 308             |
| Investments         | 410    | 211             |
| Communications      | 402    | 245             |

The scoring worksheets for panel member Steven Montagna are provided as Attachment B. They provide the RFP questions, summary responses from the vendors, and indications of how each vendor scored relative to the other.

**Plan Administration Consulting** - Mercer's responses were stronger than ABG's in virtually all of the evaluation categories, although not by especially wide margins. Most of the scoring advantage was built in the actual services for which the consultant would be used, such as Plan Design guidance, Technical/Legal Resources, and RFP/Contract Development/Review. Many of ABG's responses, particularly in the service categories, were brief and non-descriptive, and did not suggest a high degree of proficiency or prior experience in the subject matter. The only scoring category in which ABG Consultants significantly outperformed was Fees. Their fees cumulatively represented a 42-55% discount compared to Mercer's rates. Both respondents scored well in the performance exam.

**Investments Consulting** - Mercer's responses were stronger than ABG's in virtually all of the evaluation categories. Most of the scoring advantage was built in the actual services for which they would be used including Investment Analysis and Review and RFP/Contract Development/Review. Many of ABG's responses, particularly in the service categories, were brief and non-descriptive, and did not suggest a high degree of proficiency or prior experience in the subject matter. The only scoring category in which ABG Consultants significantly outperformed was Fees. Their fees cumulatively represented a 45-59% discount compared to Mercer's rates.

**Communications Consulting** - Mercer's responses were stronger than ABG's in virtually all of the evaluation categories. Most of the scoring advantage was built in the actual services for which they would be used including Written Communication, Communications Strategies and Participant Assessments. Many of ABG's responses, particularly in the service categories, were brief and non-descriptive, and did not suggest a high degree of proficiency or prior experience in the subject matter. The only scoring category in which ABG Consultants significantly outperformed was Fees. Their fees cumulatively represented a 45-59% discount compared to Mercer's rates. Mercer scored well in the Performance Exam, but ABG did not.

Conclusion

Although the response to the RFP was neither as large or competitive as staff would have preferred, staff believes that the recommended vendor will be able to fully meet the Plan's consulting needs in each of the primary consulting fields. Staff therefore recommends that the Board approve the selection of Mercer Investment Consulting to provide Deferred Compensation Plan Investments, Plan Administration, and Communications consulting, and authorize the Board Chairperson to execute the necessary contract.

Submitted by: \_\_\_\_\_  
Steven Montagna

Approved by: \_\_\_\_\_  
Maryanne Keehn