

2005 CONSULTING SERVICES RFP - ANALYSIS OF RESPONSES/SCORING RESULTS

Rater: **Steven Montagna**

	<u>Mercer</u>	<u>Segal</u>	<u>Arnerich Messina</u>
Q #	167	122	133
OVERALL SCORE (200 Points Possible)--->			
A. RFP DEVELOPMENT (20 Points Maximum)			
7 Discuss experience in design of RFPs for plan administration. Describe typical development process to include gathering plan data, timelines, typical # questions posed, etc. In last 3 years, how many such RFPs have staff who will be assigned to City's account helped develop? For each, indicate plan, plan type, approx. # of participants & assets. Describe resources utilized in generating/reviewing RFP questions & summarizing results. Describe typical reporting/scoring/analysis & include sample deliverable (no more than 5 sample pages).	Mercer's response was comprehensive and detailed. Over the course of 7 pages they detailed a 9-step process that included specific details about the categories of information they would solicit in preparing an RFP.	Segal's response, while complete, was not tremendously detailed. They did not submit sample recordkeeping RFP analysis, as requested.	AM's response, while complete, lacked much specifics as to process. Also, the sample provided appeared to be focused on a comparison of vendor proposals for investment products rather than administrative services.
8 Discuss specific experience in design of RFP's for DC plan investment management services. Describe typical development process to include gathering plan data, timelines, # questions posed, etc. In last 3 years, how many such RFPs have staff to be assigned to City's account helped develop? For each, indicate plan and plan type, approx. # of participants & assets. Describe resources utilized in generating & reviewing RFP questions & summarizing results for clients. Describe typical reporting/scoring/analysis for this type of RFP & include sample deliverable.	Indicated 9-step process identical to that used in response to (8); describes factors to look for and types of vehicles (mutual fund/sep.account/commingled fund); indicates they typically ask 40-50 questions; provided sample deliverable; has conducted 13 searches in last 3 years.	Lists all of their evaluation criteria (18 total) and indicates they have dedicated investment management group of 1 Dir. Of Research and two analysts. Did not indicate how many questions typically asked or how many searches done in last 3 years. A quasi sample deliverable of charts embedded in question response.	Indicates they have 10 dedicated staff in Analytics Group which conducts independent money-management research as well as using standard resources. States they've provided over 300 searches in last 3 years, but does not indicate whether these are public sector only. Describes some of the factors involved in determining whether mutual funds/sep. accounts/commingled funds are best; stresses importance of negotiating skills in leveraging plan asset size; provided effective sample deliverable.
9 Discuss experience in design of RFP's for plan auditing services. Describe typical development process to include gathering plan data, timelines, typical # questions, etc. In last 3 years, how many such RFPs have the staff to be assigned to City's account helped develop? For each indicate plan, plan type, approx. # of participants & assets. Describe resources utilized in generating and reviewing questions & summarizing results. Describe typical reporting/scoring/analysis & include sample deliverable.	Indicate they have conducted 5 audit provider searches in the past year, including State of Missouri, Kansas City, Phoenix, Hawaii and New York MTA. Also makes reference to conducting the City's search. Discusses two types of audits: in-house and outside-contractor. No sample deliverable available.	Simply states that they have conducted searches for vendor auditing services, but no details provided in very short response.	Non-specific response - suggests they have not really performed this type of search.

10	<p>Discuss experience in design of RFP's for Section 3121 plans for part-time, temporary & seasonal employees. Describe typical development process to include gathering plan data, timelines, typical # questions, etc. In last 3 years, how many such RFPs have staff to be assigned to City's account helped develop? For each indicate plan, plan type, approx. # of participants & assets. Describe resources utilized in generating and reviewing RFP questions & summarizing results. Describe typical reporting/scoring/analysis & include sample deliverable.</p>	<p>Response indicates they are familiar w/key issues involved in these plans, including abundance of small accounts, difficulty in tracking transient workforce, and fee issue. Conduct 1-2 RFPs for these services annually. In last 3 years did searches for City of L.A., California Savings Plus Program and Orange County. No sample deliverable provided, though states it would be similar to one submitted for DC analysis.</p>	<p>States that process is no different from that used in full-time searches. States that these searches typically involve searches of fixed income products and suggests familiarity with issues such as market value adjustments. No deliverable provided.</p>	<p>Short response states only that "experiences with part-time plans are strong. We estimate half the searches that we completed in the last 3 years have part-time plans associated with them." No deliverable provided. Response suggests they have not really done these types of searches.</p>
<p>Notes: In general, the Segal and A&M responses did not demonstrate experience in the wide range of vendor searches for which the City's Plan is responsible. On a relative basis, Mercer's responses suggest greater experience in and familiarity with the key issues involved in all categories of searches. Each vendor had points taken away for not being able to supply deliverables.</p>				
Score-->		17	9	10
B.	CONTRACT DEVELOPMENT & REVIEW (20 Points Maximum)			
11	<p>Describe typical process used in assisting w/development of contracts for 457 plan administrative services. Indicate degree to which you're willing to negotiate directly w/vendor as client's facilitator or agent; description of your specific expertise & experience in contracts of this type; & estimate of # of such contracts personnel to be assigned to City's account have drafted/reviewed/assembled in last 3 years.</p>	<p>States that they typically recommend that provider generate first draft of contract; that they typically negotiate with vendors on behalf of clients, plan sponsor's procurement rules permitting; and that in the past 3 years they've conducted contract negotiations for 8 clients, as well as negotiating 3 contract amendments for service or fee improvements.</p>	<p>Brief response that simply states they have experience in this, but does not address specific parts of question.</p>	<p>Indicates they will start by analyzing whether proposal is competitive and will focus on fees, stating that most vendors rely on investment fee revenue in bundled arrangement and A&M's focus is on capping those rebates. Lists 17 clients for whom they've assisted in contract negotiations over last 3 years, including Cities of Anaheim, Portland, Pasadena, and Seattle. Did not directly state response to question re degree to which they would negotiate on client's behalf.</p>
12	<p>Describe process used in assisting w/development of contracts for separate accounts, commingled trusts & other investment vehicles requiring contracts between plan sponsor/investment provider. Indicate degree to which willing to negotiate directly w/vendor as client facilitator or agent; description of specific expertise & experience in contracts of this type; and estimate of # of such contracts personnel to be assigned to City's account have drafted/reviewed/assembled in last 3 years.</p>	<p>Demonstrates grasp of key issues in separate account/commingled trust contracts by referencing the investment policy for the fund and the fact that many fund managers for these products are not familiar with governmental contracting rules; states would negotiate on our behalf; states that their consultants have negotiated about 45 such contracts in last 3 years, with each consultant handling 12-17 per year.</p>	<p>Simply refers to their response in Question #11, and does not address specific parts of question.</p>	<p>States they have relationships with many money managers and that higher visibility provides them leverage on behalf of their clients - but did not address specifics regarding negotiating and number of contracts worked on in last 3 years.</p>

13	Describe typical process used in assisting with development of contracts for group insurance/annuity contracts. Indicate degree to which willing to negotiate directly w/vendor as client facilitator/agent; description of expertise and experience in contracts of this type; & estimate of # of such contracts personnel to be assigned to City's account have drafted/reviewed/assembled in last 3 years.	Mentions process identical except for extra steps required by California Insurance Commission filing requirements - and that typically there is less customization in these types of contracts. References recent assistance provided to City on Hartford contract; states would negotiate on our behalf; and that over last 3 years have been involved w/30 of these types of contracts.	States they have extensive experience in reviewing these types of contracts, but does not address specific parts of question.	States they would not negotiate differently for these than for any other investment product, and express skepticism regarding the appropriateness of these types of vehicles in the City's Plan due to costs.
14	Describe typical process used in assisting w/development of contracts for Section 3121 bundled administrative/investment management. Indicate degree to which willing to negotiate directly w/vendor as client facilitator/agent; description of expertise & experience in contracts of this type; & estimate of # of such contracts personnel to be assigned to City's account have drafted/reviewed/assembled in last 3 years.	States that w/3121 plans biggest issue is pricing as well as handling of inactive accounts; states they will negotiate on our behalf; states that in last 3 years they did one search for Orange County and did a TPA-only search for the State of California.	Does not address specifics of question.	States they would assist, but did not address specifics of question.
15	Describe typical process used in assisting w/development of contracts for defined contribution plan auditing services. Indicate the degree to which you would be willing to negotiate directly with the vendor as your client's facilitator or agent; a description of your specific expertise and experience in contracts of this type; and an estimate of the number of such contracts the personnel to be assigned to the City's account have drafted/reviewed/assembled in the last three years.	States process is same as for other contracts unless the outside auditor is conducting an entity-wide audit. Acknowledges team to be assigned to contract has not assisted with contract development for any audit-providing firms.	States they are willing to deal directly with vendor in negotiating contracts but does not address question of how many contracts.	States they would assist, but did not address specifics of question.
	Notes: Segal was largely non-responsive to this series of questions; A&M was more responsive on first few questions, but their responses imply they have little experience in the more specialized types of contracts which are part of the City's Plan; Mercer's response differentiated itself by fully addressing each part of each question, even when they had to acknowledge with the question re auditing services that they had negotiated no contracts for these services in past 3 years.			
	Score-->	16	5	7
C. PLAN DESIGN (20 Points Maximum)				
16	Describe generally and briefly the strengths brought by your firm with respect to plan design issues for state and local government defined contribution plans.	Makes reference to the broad array of resources available under Mercer Investment and Human Resource Consulting, and provides a long client list.	Lists various elements of process they would employ in assessing what changes the Plan was interested in making.	Emphasized their reputation for negotiating favorable pricing arrangements and provided samples of three clients for whom they were able to secure significant cost reduction.

17	Provide 1-3 examples of innovative approaches initiated or assisted developing w/respect to plan design concepts. Examples may relate to organization of administrative services, structure of investment option menus, the expansion/enhancement of related program types or services, etc. Explain benefits of changes, who initiated change, process by which you worked with client plan sponsor, how you identified and resolved obstacles to implementation, and how you assessed success.	Provided 7 pages and 3 well-detailed examples of plan design projects with the NY MTA, City of Phoenix and State of New Jersey. Each example involved a significant plan design challenge (e.g. plan unbundling, a first RFP process in 20 years and a management review) and tremendous detail was provided in explaining how Mercer approached each problem, creative strategies used and obstacles that needed to be overcome. Outstanding response.	No real detailed examples provided. They mention ability to obtain investment management fee reductions and development of "Report Cards" to monitor plan administrative services providers, then provide a list of areas on which they provide advice, but without details.	No real detailed examples submitted. They mentioned Fee & Cost Analysis Models, although they provided no details regarding what was included within these models; and Renegotiation of Share Class, meaning lowering of investment management fees.
18	Provide brief listing of 3-6 plan design concepts regarding which you have been asked to research and provide advice by various clients in recent years. Examples may relate to organization of administrative services, structure of investment option menus, expansion/enhancement of related program types or services, etc. Describe concept and outcome in minimum of 1-3 sentences.	Provided 6 samples exactly as requested, the total of which demonstrated broad experience in a range of issues affecting 457 plans.	Listed all samples in bullet point format, with no explanation.	Provided 1-2 page discussion of each plan design projects they've worked on. Although they went beyond what we asked for in the question, the samples were quite compelling, particularly their communication information regarding and construction of asset allocation models.
Notes: None of the vendors very effectively responded to question #16, although perhaps this is because they didn't understand the question; Mercer excelled with its response on #17, and A&M's response on #18 demonstrated some capabilities on investment menu design.				
Score-->		17	6	11
D.	INVESTMENT PERFORMANCE REVIEW (20 Points Maximum)			
19	Describe resources your firm has available for purpose of providing investment performance review services. Indicate whether your review services, including fund databases, are proprietary or obtained from third party.	Mercer's response detailed 8 separate tools used in investment analysis, including proprietary investment/fund manager databases, performance analytics, and other systems. Also have relationship with Morningstar and Russell/Mellon for additional analysis. GIMD is their proprietary web-based system which encourages investment managers to log on and review information to ensure it is updated and accurate. System maintains information on 2,300 active managers and over 12,700 investment strategies.	Segal's response was thin, with very little detail provided. They have relationship with Morningstar to provide data on 5,700 mutual funds.	States they actively track over 15,000 funds and 5,00 money managers using mix of proprietary data and outside sources. Use Russell/Mellon for comparisons and Morningstar for funds, but also have proprietary PerTrac 2000 for in-house due diligence info on 24,000 diverse investments including separate accounts.

20	<p>Describe your process for evaluating performance of the various investment products which would typically be offered within a defined contribution plan, including:</p> <ul style="list-style-type: none"> Primary stock and bond asset classes Fixed account and stable value offerings FDIC insured offerings 	<p>Mercer provided a lengthy discussion of evaluation factors and the process used to analyze investment product performance.</p>	<p>Segal's description of its process was relatively brief and really a listing of evaluation factors rather than a description of process.</p>	<p>AM's response was somewhat confusing because it focused on investment manager searches - even there, it appears their approach may be structured around a different process than that employed by the City. They appear to screen candidate managers out of their database into an "Approved Manager" status, vs. our approach of inviting proposals from interested vendors and then evaluating those responses. I'm not sure that their response adequately addresses how their process would mesh with ours, and this may be simply because they weren't given enough information regarding how we conduct our searches or performance review.</p>
21	<p>Provide sample review/analysis for single large-cap mutual fund for which your firm has recently conducted a review.</p>	<p>Mercer's sample was excellent - it provided a thorough and detailed comparison of competing products in a manner that was accessible, visual and logical.</p>	<p>Segal's sample was extremely visually oriented but not as detailed as Mercer's.</p>	<p>Related to comments above, the sample submitted was an analysis of why a firm should be added to the "Approved Manager" list vs. I guess the kind of strict comparison of competing products - but again, this may be a result of the question not being sufficiently clear.</p>
22	<p>Describe procedures and policies you have in place to protect against, and provide disclosure of, any potential or perceived conflict of interest involving relationships your firm may have with money managers, mutual funds or other investment managers for which you may also be asked to conduct performance reviews or otherwise evaluate for City Plan.</p>	<p>Mercer states that as a diversified financial services company they have many potential conflicts of interest inherent in the business. As a result, they utilize various processes to monitor, including first risk assessment, then if it's established that they can be objective they enforce structures and procedures to address conflict. They disclosed affiliations with investment managers Putnam Investments and Mercer Global Investments. Also state that some of the firms they rate/review/recommend may also be clients of Mercer.</p>	<p>States that they do not offer investment management or securities brokerage services to investment managers/advisors/companies or brokers. State they are compensated only by clients on a fee-for-service basis.</p>	<p>States that they refuse any soft dollar arrangements and employ a full-time Chief Compliance Officer to review all client correspondence and have a Code of Ethics.</p>
<p>Notes: Mercer's responses demonstrate the depth of their resources and familiarity with City's needs with respect to investment review, but their size by their own admission generates potential appearances of conflict-of-interest, and that has to be scored as a negative relative to the other firms.</p>				
Score-->		16	10	14

E	LEGISLATIVE & TECHNICAL RESOURCES (20 Points Maximum)			
23	Describe resources you can make available to Plan for the purpose of expert technical legislative review of defined contribution law. Describe experience w/respect to Section 457 and regulations specifically.	Describes national resources such as its own Washington Research Group, comprised of 30 attorneys and staff whose full-time responsibility is tracking legislation and research. Firm also provides daily updates to all consultants regarding legislative developments. Also makes reference to Wendy Young's formal presentations on topics such as investment advice, stable value investments, etc.	Refers to one individual, Melanie Walker, as an expert on federal laws re Section 457.	States that consultants disseminate information to others in firm regarding legislative matters.
24	Do you have attorneys on staff who could be used as resources by City? What qualifications or limitations would you place on information provided by your legal advisors with respect to that information?	Ian Berger would be part of City's consulting team is available to answer technical questions and assist with drafting amendments to plan documents. WRG attorneys also available to work with the City.	Yes, Melanie Walker, member of National Assn. Of Public Pension Attorneys - no statement regarding limitations on information.	No legal resources on staff.
25	For those staff with legal/technical training to be assigned to the City's account, describe the range/quantity of consultations they have provided to plan sponsors over the last three years for each of the following: Section 457 Plan Document drafting/review Sample QDRO drafting QDRO review	States that Mr. Berger has worked with a number of large plans (e.g. Phoenix, Orange County, Washington State, etc.) in plan document drafting and has performed QDRO review for other clients (currently reviews 50-75 per year).	Makes reference to multiple plans for which they have provided/do provide each of the services requested.	Cannot offer these services
26	Outside of its administration of Deferred Compensation/Pension Savings Plans, the City may periodically have questions related to retirement, tax-deferred saving, or investment issues not necessarily or directly related to Section 457 or defined contribution plan administration. Describe in detail resources your firm has to offer with regard to broad spectrum of retirement/tax-deferred saving/investment issues.	Mercer provided lengthy response talking generally about their company-wide resources on retirement-related issues.	Refers briefly to two individuals, Stacey Carter and Cathie Eitelberg, to provide general consulting on these topics.	States generally that they are well-versed in all retirement plan-related issues.
Notes: Mercer clearly has much more independent depth in terms of its ability to monitor and report on legislative developments.				
Score-->		20	15	7

F	TRANSITION SERVICES (10 Points Maximum)			
27	Describe resources available through your firm in assisting defined contribution plan sponsor clients to transfer administrative services contracts or investment managers.	Addressed both types of contracts separately and comprehensively, including specific examples of cases where problems arose in transition and Wendy Young was able to facilitate a resolution and in one case identify a 12-month put option on a GIC product and negotiate a high-level resolution.	Description mostly concerns transfer of administrative service provider contracts, not investment management contracts.	Description mostly concerns transfer of investment management contracts, not administrative service provider contracts.
28	For each of following, indicate how many transition processes staff to be assigned to City have assisted in transitioning over last 5 years; unique issues typically addressed in transition; & special expertise firm brings to processes: Section 457 plan administrative services (recordkeeping, communication, enrollment); Separate account and commingled trust management; Group insurance/annuity investments; Section 3121 bundled administrative/investment management	Generally DC practice works on 5-10 RFP processes per year - in last 3 years have done 15 transitions of plan administrative service contracts; 6 separate account or commingled trust transitions and 5 insurance/annuity transitions, and 1 transition for a 3121 plan. Also worked on California 3121 but no change in provider was made.	Did not respond to questions.	Have completed 17 transitions for plan administrative services; 75 transitions for separate account/commingled trust management; 6 transitions for insurance/annuity products; and 3 transitions for Section 3121 bundled management.
Notes: AM's response on #28 was somewhat startling given the lesser demonstrated depth observed in many of their other responses.				
Score-->		10	2	7
G	FEES (30 Points Maximum)			
29	Indicate by name your billable hourly rates for all staff to be assigned to City's account.			
	SERVICE/HOURLY RATE			
		Year 1, Year 2, Year 3		
	Principal Consultant	\$350-\$425 - \$360-\$440 - \$375-\$450	\$420	n/a
	Managing Consultant	\$300-\$350; \$310, \$360; \$320-\$375	\$390	n/a
	Consultant	\$240-\$300; \$250-\$310; \$225-\$320	\$370	\$260
	Associate/Analyst	\$162-\$225; \$180-\$250; \$165-\$255	\$210	\$160
	Clerical	6% of hourly rates	\$140	\$55
	Other: _____	10% of hourly rates		n/a
	Project/Cap on Itemized Billing			
Notes: Mercer's increasing fee structure is a negative, and Segal's fees are in the same range; AM much less expensive by contrast, although they state they do not typically bill by the hour and would be interested in discussing an all-inclusive project fee to cover all services as well as travel expenses.				
Score-->		20	22	28

PERSONNEL/CLIENTS (30 Points Maximum)				
30	<p>Indicate by name those consultants who would be responsible for providing the required services. Describe their qualifications to include:</p> <ul style="list-style-type: none"> Education Experience Years with your firm Years working with retirement/deferred compensation plans Years working specifically with 457 plans Which individuals assigned to the City's account would be locally based 	<p>Mercer provided bios on a number of individuals: Wendy Young would be lead consultant, based in Virginia, 17 years of 457 experience, all clients are in public sector; Marina Batliwalla would head investment review, locally based, at least 10 years experience in field) (didn't indicate how long w/Mercer); 7 other individuals indicated to provide various types of support (legal, technical, communications).</p>	<p>Frank Picarelli would be lead consultant, 27 years of DC experience, 11 years with Segal (not sure where he's based); Glenn Ezard would be lead investments consultant, 17 years experience, with Segal 2 years; 6 other individuals indicated to provide various types of support (legislative review, general retirement, technical support).</p>	<p>Jayson Davidson would be lead consultant, based in Oregon, 9 years consulting experience, 3 years with firm; Howard Biggs is director of consulting, 24 years of experience in field, less than 1 with AM.</p>
31	<p>Provide names of 3 clients, preferably public employers with 457 plans holding assets greater than \$100 million.</p>	<p>State of California, \$4.5 billion in assets, 132,000 participants, 17 year relationship; Orange County CA, \$525 million in assets, 15,500 participants, 6 years; County of Los Angeles, \$3.9 billion in assets, 71,000 participants (communications & investment consulting).</p>	<p>City of Chicago, \$1.2 billion in assets, participant count not included, 2 years as consultant; State of Nevada, \$300 million, 5,000 participants, 3 years; City of Oakland, \$150 million, 6,500 participants, less than 2 years.</p>	<p>City of Seattle, \$240 million in assets, 5,800 participants, 1 year as consultant; City of Portland, \$200 million, 4,900 participants, 2 years; State of Montana, \$200 million, 10,000 participants, 4 years</p>
32	<p>Provide the following information for all state and local Section 457 plan sponsor clients who have terminated their consulting relationship with you in last 5 years. Include full explanation of their reasons for terminating your services.</p>	<p>One client, State of New Jersey, hired in 2003 and terminated 2004 due to concerns about October 2004 complaint re Marsh & McLennan.</p>	<p>County of Santa Barbara replaced Segal with firm having lower fees; City of Alexandria terminated, but reason unclear from wording of response.</p>	<p>None.</p>
Notes: Responses show Mercer advantage in terms of either personnel depth (vs. AM) or similar client base (vs. Segal & AM).				
Score-->		30	26	22

H	ORGANIZATIONAL COMPETENCE & RELIABILITY (30 Points Maximum)			
33	Provide brief history and description of your business and its current financial status. Include mergers/acquisitions w/in last 12 months, future plans for growth, scope of services, and locations.	Mercer established in Canada in 1945, subsequently acquired by Marsh & McLennan in 1959; in 1975 became wholly owned subsidiary and in 1980's grew into a global firm through series of mergers. Has 13,000 employees in 41 countries and 2004 revenues of \$3.1 billion. Mercer Investment Consulting is a subset of Mercer Human Resource Consulting. Detailed several international acquisitions in 2003, and acquired Synhrgy Technologies in U.S. in 2004, a human resource technology/outsourcing firm.	Segal established independently in 1969; has offices in New York City, Boston, Chicago, Cleveland, L.A. and Toronto with 42 staff - has 220 clients currently and \$62 billion in assets. Wholly-owned subsidiary of The Segal Group. Parent company The Segal Company founded in 1939 and has 21 offices throughout U.S., Canada and Europe. Firm adds new staff every year to keep pace with growth.	Founded in 1991 as a wholly owned subsidiary of AM&A Holdings, Inc., a privately held corporation. States firm has not undergone any recent ownership changes and no significant changes planned for the organization. Had \$5.5 million in consulting revenues in 2004.
34	Briefly describe your account servicing approach and address the following: Responsibilities of the day-to-day contact Problem tracking and resolution process Title/level with problem resolution authority Monitoring and surveying account service satisfaction	Response here was comprehensive - several pages detailing not only the roles and responsibilities but the actual process, which includes peer review and various sub-components as well as other support dimensions including participation in national practice groups, a special committee set up for developing/enforcing professional standards, and regular client satisfaction monitoring efforts.	States that they utilize a team approach to consulting and then lists 7 consultants and the way in which they might participate in servicing the Plan, with one individual being the primary contact, the others providing support based on area of expertise.	States they have developed an internal communications/tracing program resulting to monitor deadlines.
35	Provide a copy of your firm's most recent annual financial report and indicate here: "Provided" or explain why you did not submit.	Provided - nothing apparent in this document to raise concerns about viability of firm over contract term	States they are privately held and does not disclose financial statements.	States they are a privately held firm and does not disclose financial statements other than to shareholders and Board of Directors.
36	Disclose extent to which your business has been sued or had other legal action initiated by clients, or have been the subject of any complaint filed with any regulatory agency in any state w/in last 5 years.	States that "in the ordinary course of business, Mercer is involved with legal and regulatory proceedings, investigations and inquiries, some of which are conducted on industry-wide basis...currently regularotrs are reviewing various business practices across our industry, including compensation of an disclosure by providers of insurance placement services to ERISA employee benefit plans and by investment consultants to pension plan sponsors and others."	States that in 35-year history Segal involved in 1 situation involving investments made by clients in a collateralized note program managed by an investment manager - states that the program was not recommended by Segal nor was Segal affiliated with the firm in any way. Matter was settled by parties and approved by court.	Describes two incidents, one in 2003 when AM named as co-defendant in suit brought by former consulting client against a money manager - AM dismissed from suit without liability or damages. 2nd incident was in 2004 when a former consultant with their firm was personally named in a class action suit filed by employee of a client - consultant was dismissed from suit without liability or damages.

37	Identify any lawsuit you have initiated against a client or potential client. Indicate reasons for filing & outcome. Provide contact information for the entity sued.	"Unaware" of ever having initiated legal action against a client.	Never initiated legal action against a client.	Never initiated legal action against a client.
38	Describe any incident w/in past 5 years in which your business has had a contract terminated for default. If your firm has experienced no termination for default in past 5 years, so indicate.	Did not respond - indicated information is not readily available and is deemed confidential.	Not lost a contract termination for default	No Public Sector client has canceled or not renewed a contract.
39	If any portion of Contract is to be subcontracted, set forth the reasons for subcontracting and listing of subcontractors. For each subcontractor, provide the following: The specific service being subcontracted Name of Subcontractor Subcontractor's Contact Name Contact Title Contact Phone Number Mailing Address Location of Business Telephone Number Description of Work to be Subcontracted Reason Subcontracting % Total Contract Subcontracted & \$ Amount Relevant experience in years/responsibility Subcontractor a minority/women owned firm? If subcontractors not utilized, so indicate.	No subcontractors	No subcontractors	No subcontractors
Notes: Mercer given relative advantage on #34 for its comprehensive discussion of its account servicing approach; Mercer response on #36 vague; loses a few points on #37 for only being "unaware" of legal action initiated against a client; loses full points on #38 for not responding. Responses from other vendors were complete.				
	Score-->	21	27	27