**Insert company name**

**REQUEST FOR PROPOSAL**

**Investment Management Services**

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**SECTION I: BACKGROUND & NATURE OF SERVICES REQUIRED**

1. **Insert company name**

Insert a short (4-5 sentences) company description. Finish by pointing to the company website for more detailed information.

1. **Current Plan**

Insert a description of the plan. For example:

*This is an ERISA 404(c) participant-directed safe harbor plan offering the following features: a* ***3%*** *employer profit sharing contribution, a QDIA, managed accounts, model portfolios,* ***15*** *individual options from multiple fund families, traditional and Roth tax-deferral options, auto-deferral and escalation features, and a participant hardship loan option. The Plan has* ***92*** *active participants and* ***125*** *eligible participants with assets of approximately* ***$7.8 million****. The current service provider is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.*

1. **Purpose and Scope of Services**

Insert company name is seeking (a) qualified firm(s) to:

1. Accept fiduciary delegation as per ERISA § 3(38);
2. Assist insert company name in adhering to the Global Standards of Fiduciary Excellence;
3. Provide value-added services to enhance the retirement income security of plan participants; and
4. Provide a proposal for record-keeping & TPA service providers.

**SECTION II: PROCESS FOR SUBMISSION OF PROPOSAL**

1. **Minimum Qualifications for the Proposal**

The Proposer(s) and proposing firm must meet all of the following minimum qualifications to be given further consideration. Failure to satisfy any of the minimum qualifications will result in the immediate rejection of the proposal.

1. The Proposer(s) and proposing firm must have been in business in good standing at least three (3) years as of insert date.
2. The Proposer(s) AND proposing firm must have at least three (3) clients AND at least $30 million of assets under management for which it has acted in a discretionary fiduciary capacity for a minimum of three (3) years.
3. The Proposer(s) and proposing firm must be registered as an investment Adviser under the Investment Adviser Act of 1940. It must be prepared to acknowledge in its service agreement that it accepts fiduciary delegation as per ERISA § 3(38).
4. The firm must carry appropriate fiduciary liability insurance coverage or must commit to obtaining it before a contract is entered into with insert company name.
5. The firm must be CEFEX certified or currently seeking CEFEX certification.
6. The Proposer must meet the eligibility requirements of ERISA §411.
7. **Preparation and Submission of Proposal**

**Format for Proposal**

The proposal must be page numbered and organized in the following format:

1. Cover Letter
2. Response to Questionnaire
3. Additional Documents and Materials
4. Fees

**Cover Letter**

The individual(s) who is (are) authorized to bind the Proposer contractually must sign a cover letter, which will be considered an integral part of the proposal. An unsigned cover letter may cause the proposal to be rejected. The cover letter must contain the following:

1. The name, title & position, telephone number and email address of the individual signing the cover letter.
2. A statement indicating that the Proposer(s) and proposing firm meet the minimum requirements.
3. The name, title & position, telephone number and email address of the primary contact for the proposal, if different from the individual signing the cover letter.

**Response to Questionnaire**

Please respond to all questions in the order that they are presented in Section III of this RFP. Indicate the question number and restate the question prior to providing your response. Provide any additional comments or information that you deem appropriate.

Please be clear and specific in your responses to the questions. Incomplete or misleading responses may lead to rejection of the proposal and elimination of the proposer(s) and proposing firm from the search process. Insert company name reserves the right to waive or permit correction of any minor inconsistencies, errors or omissions prior to the final evaluation of the proposal, and to ask for clarification on any issues, or to take any other measures with respect to this RFP in any manner necessary to serve the best interests of insert company name and the plan.

**Cancellation of RFP**

Insert company name reserves the right to cancel this RFP at any time, and to reject any and all proposals submitted in response to this RFP if insert company name determines such action or actions are in the best interest of insert company name and the plan. This RFP in no manner obligates insert company name to the eventual procurement of services until confirmed by a written contract. Progress toward this end is solely at the discretion of insert company name and may terminate at any time prior to the signing of a contract.

This procurement and any agreement with proposers that may result shall be governed by the laws of insert appropriate legal jurisdiction. Submission of a proposal constitutes acceptance of this condition.

**Submission of RFP**

Please submit one (1) complete electronic copy via e-mail and one (1) hard-copy via mail to:

[Insert](mailto:%20Insert) primary POC name, title, physical and email address

The deadline for submission of the proposal via email and/or hardcopy is **insert time on insert date.**  A proposal may be withdrawn and resubmitted prior to the proposal deadline. Any cost incurred in the preparation, submission or presentation of the proposal will be borne solely by the Proposer. No proposal will be accepted from a proposer or proposing firm if Notice of Intent is not received. All responses to this RFP will become the property of insert company name upon delivery.

1. **Timeline for Search and Selection Process**

**Insert date** RFP publically distributed

**Insert date Notice of Intent** due by insert time via e-mail to: [insert](mailto:rich.lynch@fi360.com) email address

**Insert date** Deadline for questions or clarifications

**Insert date** Deadline for submission of proposals

**Insert date** Finalists Announced

**Insert date** Interviews with finalists

**Insert date** Final selection announced

***Insert company name will make best efforts to follow this timeline,***

***but reserves the right to amend it as necessary.***

1. **Inquiries and Communications**

We ask that you please refrain from contacting insert company name staff during the search process. All questions regarding the intent or content of this RFP or the proposal process must be directed in writing, preferably email, to:

Insert primary POC name, title, and address

In order to avoid any potential conflict of interest, an evaluation period is immediately in effect which applies to any interested service provider. During the evaluation period insert company name staff will not accept meals, travel, hotel, or other types of gifts from any interested service provider or communicate with a service provider with respect to the subject matter of this RFP.

**SECTION III: INFORMATION TO BE PROVIDED**

**PART A: QUESTIONNAIRE**

*[****Note:*** *During the RFP process conducted by fi360, the following Part A questions were optional for CEFEX-certified firms, as CEFEX certification sufficiently demonstrates adherence to the applicable criteria in the standard “Prudent Practices for Investment Advisors”: 1, 2, 5, 7, 16-21, 25, 26, 28, 32-34, and 42.]*

**History, Ownership and Organization of the Firm**

(Questions marked with an asterisk do not apply to firms with more than 50 employees.)

1. Please provide a brief history of the firm including:
   1. When was the firm established, and who were the founders?
   2. If the firm was subsequently acquired by another company or companies, what are the details?
   3. Please provide the name and address of any parent firm and all subsidiary and affiliated companies.
   4. Have there been any significant changes in the Proposer’s ownership, structure or organization over the past three years? What significant changes, if any, do you anticipate in the future?
2. Please indicate the current number and positions of professional staff members.\*
3. Please indicate the total turnover in professional staff during the last three years: Hired, Terminated, Resigned, Retired.\*
4. What is the average number of clients per Adviser? Does the firm have a maximum limit on the number of clients assigned per Adviser?\*
5. What professional designations do the professional staff members currently hold?\*
6. Please list the location of all offices and the number of employees in each office.\* Indicate the office which would service this account.
7. What ongoing annual training and/or education must these staff members complete?
8. How many professional staff will be assigned to the insert company name Plan?
9. How will these staff members be compensated; salary, bonus, commission, other?
10. Please provide the following information on the staff members to be assigned to this account:
    1. Name
    2. Title
    3. Role
    4. Years of experience with fiduciary clients
    5. Years of investment consulting experience
    6. Years with the firm
    7. Dossier
    8. Number of accounts as lead consultant, and
    9. Number of accounts as support consultant
11. Explain how the consulting team assigned to this Plan would function, including primary consultant, back-up, quality control and support services.

**Investment Philosophy**

1. What is the Proposer’s investment philosophy regarding 401(k) investment options generally, and managed accounts, target date funds and model portfolios in particular?
2. What are the key issues to consider in establishing investment policy for a fiduciary client?
3. What is the Proposer’s philosophy on active vs. passive management?
4. Describe the Proposer’s investment philosophy regarding alternative investment options (such as commodities, derivatives, mortgage securities, socially responsible funds, etc.).
5. What processes or tools are used to select and monitor investment options? Please provide a performance report for the 1, 3 and 5 year timeframes of the investment options your firm most often utilizes.
6. Does the Proposer provide managed accounts, model portfolios or utilize target date funds? If applicable, please provide the underlying investments of each as well as the performance and risk relative to the appropriate index for the 1, 3 and 5 year timeframes.
7. For managed accounts and model portfolios, was the asset allocation model internally developed, or is it licensed or provided from one or more third-party vendors? Please provide the names of the third-party vendors, if any.
8. What is the Proposer’s approach to rebalancing and making tactical changes to model asset allocation?
9. How does the Proposer monitor or track the compliance of the investment menu with the client’s Investment Policy Statement?
10. What due diligence criteria is used for selecting investment options and service providers?
11. What is the Proposer’s philosophy of using investments with limited coverage or transparency such as group annuities, collective investment trusts, & sub-advised funds?

**Fiduciary Experience**

1. What expertise does the Proposer(s) and proposing firm have regarding the [Global Standards of Fiduciary Excellence](http://www.fi360.com/main/pdf/handbook_steward.pdf)? Are there any specific Criteria for which your firm is willing to take responsibility? Are there any specific Criteria for which your firm does not take responsibility?
2. Are any of the Proposer’s 401(k) clients CEFEX certified? If so, how many?
3. How would you suggest that insert company name measure and evaluate the potential performance of a proposer as a fiduciary investment manager under ERISA 3(38)?
4. Please provide a breakdown of the Proposer’s current client relationships for which it acts in a fiduciary capacity to include total number of plans, AUM, the number for which the firm acts in a discretionary fiduciary capacity, and the average length of those relationships.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type of Fiduciary Client** | **# of plans** | **AUM** | **Discretionary** | **Years** |
| ERISA DB plans |  |  |  |  |
| ERISA DC plans |  |  |  |  |
| ERISA DC plans, serving as a 402(a) “named fiduciary.” |  |  |  |  |
| ERISA DC plans, serving as  a 3(38) “investment manager” |  |  |  |  |

1. How many client relationships were terminated within the last three years?
   1. Why was the relationship terminated?
   2. What was the total value of those assets?

**Conflicts of Interest**

1. Please disclose any potential conflicts of interest that may arise from the firm accepting this engagement, including the activities of any affiliated, subsidiary or parent company.
2. Has the firm or anyone in the firm provided any gifts or other remuneration, or paid any expenses for travel, hotel, meals or entertainment for or on behalf of any insert company name employee during the past 12 months? If so, please describe the amount and purpose of the expenses.
3. Please describe the nature of any professional relationship that the firm or anyone in the firm has had with insert company name or any employee(s) during the past three years.
4. If the firm or any affiliate provides non-fiduciary services, please explain briefly what policies or procedures the firm has established to avoid or limit any potential conflicts of interest that could arise from accepting this engagement.
5. Does the Proposer or the proposing firm or an affiliate receive any compensation from 3rd parties, including but not limited to: (i) charges for inclusion in proposer’s database, (ii) conference fees, (iii) brokerage commissions, etc.? If so, please describe briefly the nature of these services and compensation.
6. Does the firm have any arrangements with broker-dealers under which it, or an affiliated company, will benefit if investment managers place trades for their clients with such broker-dealers?
7. Does the firm accept any sort of revenue sharing to include, but not limited to 12b-1 fees and Sub-TA fees? If so, please explain briefly how these payments are used and accounted for.

**Litigation and Insurance**

1. Has the firm, or any officer, principal, or employee of the firm or an affiliated company, ever been investigated and/or charged by the Securities and Exchange Commission (“SEC”), the U.S. Department of Labor (“DOL”), or any other regulatory authority for violation of applicable laws? If so, please explain.
2. Has the firm, or any officer, principal, or employee of the firm, ever been involved in any business litigation or other legal proceeding including bankruptcy? If so, please explain and indicate the current status of the litigation.
3. Does the firm, or any officer, principal, or employee of the firm, have any lawsuits pending against it? If yes, please explain.
4. Please provide the level of coverage that the firm carries for errors and omissions insurance, fiduciary or professional liability insurance, and/or fidelity bond. For each type, please indicate:
   1. Amount;
   2. The name of the issuer; and
   3. Whether the coverage is on a per client basis or applies to the firm as a whole.

**Plan & Participant Services**

1. Please list the plan level and/or participant services you provide to enhance the retirement income security of participants, and to enhance the effectiveness of the Plan. Include a schedule if appropriate. (For example: education, advice, online functionality, 1 on 1 meetings, GAP analyses, integration with payroll/HRIS systems, etc.).
2. Please provide two (2) specific examples of ways in which your firm has made a positive impact on retirement plans you advise over the past 24 months (For example: increased participation, increased deferrals, enhanced services, lowered fees.)

**Service Providers**

1. In the past 36 months, how many service provider (TPA, Record-keeper, etc.) searches have you conducted for existing clients? Please describe your search process to include benchmarking and quantitative & qualitative considerations.
2. How often does the Proposer review service provider agreements to ensure they are consistent with applicable governing documents?
3. List the top three TPA/Record keepers/Custodians with whom you have clients. Please include the number of clients and amount of assets with each. Are any of these service providers outside of U.S. jurisdiction?

**PART B: ADDITIONAL DOCUMENTS AND MATERIALS**

*[****Note****: During the RFP process conducted by fi360, submission of the following Part B documents and materials was optional for CEFEX-certified firms, as CEFEX certification includes their collection and review:*

* *SEC Form ADV Parts I and II;*
* *Service agreement(s) used when accepting fiduciary delegation;*
* *Policies and procedures related to 1) Conflicts of Interest; 2) Conducting RFP/RFIs; 3) Communicating critical information such as changes in ownership, organizational structure, or personnel in a timely manner; 4) Revenue sharing; 5) Accounting for and controlling investment expenses and asset placement fees that impact Client accounts; 6) Soft dollars, Commission recapture, Best execution and proxy-voting used by Separate Account Money Managers (if applicable);*
* *Policies related to servicing a plan, for example: Participant education, Plan sponsor fiduciary education, Investment committee by-laws, Choosing a QDIA, Fulfilling Rule 404(c), Maintaining a plan fiduciary file; and*
* *A sample Investment Policy Statement.]*

Please submit a copy of the following additional materials and documents pertaining to the proposer(s) and/or proposing firm. These documents, where applicable, will carry significant weight in the selection process.

* The latest Annual Report or Statement of Financial Condition.\*
* The most recently filed SEC Form ADV, Parts I and II.
* Service agreement(s) used when accepting fiduciary delegation.
* Policies and procedures related to: Conflict of Interest; Code of Ethics; Conducting RFP/RFI’s; Disaster Recovery Plan; Safeguarding customer records and information; Communicating critical information such as changes in ownership, organizational structure or personnel in a timely manner; Revenue sharing; Accounting for and controlling investment expenses and asset placement fees that impact Client accounts; Soft dollars, Commission recapture, Best execution and proxy-voting used by Separate Account Money Managers (if applicable).
* Policies related to servicing a plan, for example: Participant education, Plan sponsor fiduciary education, Investment committee by-laws, Choosing a QDIA, Fulfilling Rule 404(c), Maintaining a plan fiduciary file.
* A sample Investment Policy Statement the firm has developed when acting as an ERISA §3(38).
* The Proposer’s standard marketing brochure(s) describing its services and/or products.
* Any other information necessary to gain a complete understanding of the proposer(s) or firm and the services provided.

\*Not required for publically traded companies.

If selected as a finalist, please be prepared to provide as reference the names of three (3) recent or current clients, one of whom must have assets of at least $5 million, for which the firm has accepted discretionary fiduciary delegation for at least three years.

**SECTION IV: FEES**

Please include an itemized breakdown of all fees and expenses including, but not limited to, advisory fees, investment expenses including any transactions costs, all direct and indirect fees charged by any proposed service provider.

The proposed fees shall be guaranteed for a minimum of two years after which any changes can be negotiated with insert company name. The method of payment will be set forth in the agreement between insert company name and winning Proposer. Once the investment manager is selected, the fee may be negotiated further depending on the variance from other proposals received. In no case will the negotiated fee be higher than the fee contained in the Proposal submitted by Proposer.