



## Samuel Merritt University

### Request for Proposals for 403(b) Advisory Services

#### Introduction

Samuel Merritt University (SMU) is a specialized institution of higher education; its main campus is located in Oakland, California, with branch campus sites in Sacramento, San Mateo and Fresno. The University offers doctoral, masters and baccalaureate degrees in health sciences. Its primary fields of study are nursing, occupational therapy, physical therapy, physician assistant and podiatric medicine. SMU generates annual net operating revenue approaching \$90 million and employs approximately 900 individuals. SMU is a California nonprofit public benefit corporation.

#### Scope of Services

SMU's 403(b) plan has a portfolio of approximately \$77.6 million plan assets as of December 31, 2020 broken-down into the following categories:

<u>Description</u>	<u>Amount</u>
Mutual Funds	\$43.8 million
Fixed and Variable Annuity Funds	33.2 million
Notes Receivable from Plan Participants	0.6 million
<b>Total</b>	<b><u>\$77.6 million</u></b>

#### Additional Key Statistics

Quoted as of December 31, 2020 (unless otherwise stated)

<u>Description</u>	<u>Amount</u>
Annual Contributions 2020	\$6.3 million
Annual Contributions 2019	\$6.2 million
Total Plan Participants with Account Balances	586
Plan Participation Rate <sup>1</sup>	95.0%
Average Salary Deferral Percentage	<u>9.3%</u>

**Request for Proposal Instructions:** Proposal will be available for download on Friday, October 15, 2021 on the Finance Department page of SMU's Website at the following link:  
<https://www.samuelmerritt.edu/faculty-and-staff/finance>.

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<sup>1</sup> Including plan participants who reached the annual contribution maximum prior to December 31, 2020

Any questions related to the proposal should be forwarded in writing to [rfp@samuelmerritt.edu](mailto:rfp@samuelmerritt.edu). A list of questions and answers will be maintained on SMU's Website at the link listed in the previous paragraph.

### **Length of Agreement**

SMU is interested in establishing a stable relationship with the awarded 403(b) advisor. To do this, SMU would like to develop an agreement with an initial term of three (3) years with an automatic option to renew for an additional three-year period. After the initial three years, fees can be renegotiated should this be deemed necessary.

Vendor proposals should include the following documents:

- Completed **Attachment A**
- Information Requested in **Attachment B**
- Any other supporting documents as determined by vendor.

### **Terms and Conditions**

Please be aware that this is a request for professional services, and not a competitive bid. SMU is not required to conduct its request for professional services in accordance with competitive bidding laws.

The terms and conditions of this proposal are that SMU:

- Reserves the right to reject any or all proposals
- May render the bid invalid due to unauthorized modifications of bid specification forms or terms.

### **Instructions for Submission of Application**

Proposals will only be accepted electronically at the e-mail address listed below.

**ALL PROPOSALS MUST BE RECEIVED BY SAMUEL MERRITT UNIVERSITY BY 5:00 P.M. on Friday, November 5, 2021. E-mail address for the submission of proposals:**

**Gregory Gingras, Chief Financial Officer**  
**Samuel Merritt University**  
[rfp@samuelmerritt.edu](mailto:rfp@samuelmerritt.edu)  
[www.samuelmerritt.edu](http://www.samuelmerritt.edu)

**ATTACHMENT A  
APPLICANT CONTACT INFORMATION**

NAME OF ORGANIZATION: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

WEBSITE: \_\_\_\_\_

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**Gregory Gingras, Chief Financial Officer**  
Samuel Merritt University  
[rfp@samuelmerritt.edu](mailto:rfp@samuelmerritt.edu)  
[www.samuelmerritt.edu](http://www.samuelmerritt.edu)

## **ATTACHMENT B REQUESTED PROPOSAL CONTENT**

The written proposal must include the following information:

1. Relevant experience of the firm and the individual consultants proposed for SMU

**1.1. Firm's Background, Operational Procedures:**

1.1.1. Briefly describe your firm's background, history, and ownership structure, including any parent, affiliated or subsidiary company, and any business partners or joint ventures.

1.1.2. Provide a representative listing of current and past clients, including the size of the client fund, the type of fund (school system or local government), and the number of years the services were provided.

1.1.3. Provide an organization chart of your firm and describe the relationship between each component and your consulting group.

1.1.4. Within the past three years, have there been any significant developments in your organization such as changes in ownership, restructuring, or personnel re-organizations? Do you anticipate future significant changes in your organization?

1.1.5. List the address of your main corporate office and indicate which office(s) shall support SMU.

1.1.6. Describe any services of your organization that may not be offered by other consultants or which distinguish you from your peers.

1.1.7. Describe the total staff of the firm and designate support staff, investment consultants, analysts and professionals.

a. Of those, number of employees who are Investment Advisory Representatives (IAR)? \_\_\_\_\_

b. Do you use sub-contractors? Yes \_\_\_ No \_\_\_ If Yes, who and for what services?

1.1.8. Discuss the ways you manage growth, including any limits to the client/consultant ratio.

1.1.9. What is the position of your firm in the retirement plans business?

- a. Percentage of revenue is from retirement plan investment advisory services?
- b. Plan assets under advisement
- c. Total number of clients with investment plans under your advisement
- d. Number of core client plans (with whom your firm have regular quarterly contact)
- e. Number of client plans added over the past 24 months
- f. Number of clients lost over the past 24 months
- g. Publications your firm has created or contributed to
- h. Recognition received from independent sources demonstrating expertise and credibility

1.1.10. Please list the types of services your firm offers for retirement plans.

1.1.11. Please describe your firm's experience helping clients through retirement plan vendor search/request for proposals.

1.1.12. How does your firm define and measure the success of retirement plan consulting relationships?

1.1.13. Please list the federal, state and other regulatory agencies with which your firm is licensed or registered, and the type of license held.

1.1.14. Please indicate which employees are not registered or licensed and why.

1.1.15 Have individuals from your firm ever been disciplined by any government regulator for unethical or improper conduct or been sued by a client who was not happy with the work performed by the firm?

**1.2. Standards of Conduct and Conflict of Interest:**

1.2.1. Attach your firm's code of conduct policy. How is it monitored and enforced?

1.2.2. How are consultants' recommendations to clients reviewed and monitored by your organization? Does your firm adhere to a level of consistency in consultant recommendations?

1.2.3. Within the last five years, has your organization or an officer or principal been involved in actual or threatened litigation, administrative or regulatory or similar proceedings relating to your investment consulting assignments? If so, provide an explanation and indicate the current status or disposition. Under disposition, include any censures or reprimands received from regulatory bodies.

1.2.4. Please attach your conflict of interest policy. Are there any potential conflict of interest issues your firm would have in servicing SMU? If so, describe them. 12  
 1.2.5. Are there any circumstances under which your firm, or any individual in your firm, receives compensation, finder’s fees or any other benefit from investment managers, investment funds or third parties? If yes, describe in detail.

**1.3. Consulting Team**

1.3.1. Provide contract information for each consultant that will be assigned to SMU in a grid similar to the following:

Name	Title	Business Role	Work Location	Status (Employee or Subcontractor)

1.3.2. Describe your team’s experience with similar work performed for other retirement plans.

**2. Proposed work plan, soundness of approach and understanding of the needs of SMU; demonstrated ability to perform the services referred to in the RFP.**

**2.1. Asset Allocation:**

2.1.1. Discuss the theory and methodology of the asset allocation models your firm employs. How do you develop asset class assumptions?

2.1.2. Explain your firm’s position/approach on the use of active versus passive management in the major asset classes.

2.1.3. Describe your firm’s methodology for identifying and evaluating new investment opportunities, including real estate, derivatives and alternative investment options. Describe the elements of a due diligence process for assessing the risk control and performance characteristics of such investments specific to SMU’s plan’s.

2.1.4. Describe your capabilities in the development of risk/return characteristics of the asset mix as a whole and of each asset category and manager style.

**2.2. Investment Policies:**

2.2.1. Describe your approach to the analysis of applicable legal parameters/restrictions under which SMU must operate.

2.2.2. Describe your approach to the development of an investment policy statement including the development of asset class structures, investment objectives, and risk control policies (i.e., derivatives, securities lending, etc.).

2.2.3. Describe your process for maintaining a continuous review of investment policies and any changes in the underlying investment fund operations which would require review of the Subcommittee.

**2.3. Investment Manager Searches:**

- 2.3.1. Describe your firm's process for evaluation and selection of investment managers.
- 2.3.2. Describe how your firm's process for evaluating and selecting investment managers adds value beyond the mere provision of raw data.

**2.4. Investment Services:**

- 2.4.1. Describe your firm's approach to 403 (b) plan investment consulting
- 2.4.2. What investment policy statement support do you offer?
- 2.4.3. What tools does your firm use to evaluate investment funds and managers? a. Which of these tools are proprietary to your firm, developed in-house or specifically for your firm?
- 2.4.4. Describe your investment research resources and capabilities
  - a. How are investment benchmarks determined?
  - b. Is your investment research proprietary or from a third party?
- 2.4.5. Do you hold performance review meetings with client and what reports do they receive?
- 2.4.6. Do you have an investment watch list and what is your termination recommendation process?
- 2.4.7. Will your firm offer investment advice to our plan? Yes\_\_\_\_ No\_\_\_\_ a. Please explain

**2.5. Performance Evaluation:**

- 2.5.1. What asset classes are tracked in your performance measuring system? How many managers are included within each asset category? How many years of performance data are on the system for each asset class?
- 2.5.2. What factors do you consider to be critical in reporting performance?
- 2.5.3 How are performance benchmarks for the total fund, different asset classes and investment manager styles chosen and constructed?
- 2.5.4. Do you use investment style benchmarks in your performance measurement process? What are the sources of the underlying data and how are these benchmarks calculated and maintained?

**2.6. Reporting**

- 2.6.1. What period of time is required to prepare reports after the end of each quarter?
- 2.6.2. Give a brief overview of the hardware and software systems used in the production of performance reports.

**2.7. Research:**

- 2.7.1. Describe the manner in which external resources and sources of information are used in the research process. How does your firm integrate internal and external research?

2.7.2. Describe your firm's process for monitoring industry and market trends affecting investment funds.

**2.8. System's Staff Education:**

2.8.1. Does your firm offer training of plan fiduciaries and staff as it relates to their investment responsibilities? If so, describe the type of training available and the qualifications of the individuals assigned to conduct the training.

**3.1. Other Information:**

3.1.1. Describe areas or processes, not included in the scope of this engagement that your firm may examine in order to provide more complete and thorough services.

3.1.2. Provide any additional information that you believe to be relevant to the RFP and your capability to provide the services requested.

**3.2. References and Previous Clients:**

3.2.1. Provide three references who are clients for whom work similar to that requested in the RFP has been performed. Include their names, titles and telephone numbers.

3.2.2. List clients who have terminated your consulting relationship during the past three years and their reasons for doing so. Include their names, titles and telephone numbers.

**3.3. Fees:**

3.3.1. How is your firm compensated for services?

3.3.2. What percentage of your firm's revenue is derived from? a. Commission relationships? b. Advisory relationships?

3.3.3. Provide a proposal regarding the fees to be paid to your firm for the services identified in the Scope of Services. The proposal should provide fees based upon a bundled fee for all services identified as ongoing. Please include a list of staff and their hourly billing rates which would apply to work identified as ad-hoc.

3.3.4. Does your firm's proposed fee arrangement consist of any incentive or contingent payments? If so, describe the manner of calculation in detail.

3.3.5. Are you willing to guarantee your fees for a specific period of time?

3.3.6. Does your firm provide written agreement or a letter of engagement detailing services provided to our plan? Yes\_\_\_\_ NO\_\_\_\_

**4.1 Insurance and Liability:**

4.1.1. What limitation on liability, if any, do you impose through your contract?

4.1.2. Describe the following coverage's that you carry and the levels of coverage that you carry for:

- Professional liability or errors and omissions insurance



- Fiduciary coverage

4.1.3. List the insurance carriers for each coverage you carry.

4.1.4. Describe your disaster and facilities recovery plan.

**5.1. Provider/Vendor Services:**

5.1.1. Describe your vendor benchmark service and process

5.1.2. Describe your service provider search RFP service and process

5.1.3. With how many different service providers does your firm work to support current clients?

5.1.4. What plan design change initiatives have you led with your clients in the past 24 months?

**6.1 Fiduciary Status and Compliance:**

6.1.1. Do you intend to act as a fiduciary for the plan and or its participants?

6.1.2. What compliance resources does your firm provide?

6.1.3. Describe your fiduciary responsibility to our plan participants.

6.1.4. Describe potential conflicts of interest that may arise with the proposed advisory relationship.

**Appendix A. Form ADV Parts 1 and 11:**

Attach your firm's current Form ADV Parts I and II.

**Appendix B. Annual Financial Report:**

Attach your firm's current audited Annual Financial Report.

**Appendix C. Sample Contract or Agreement:**

1. Attach a sample contract or agreement your firm has used with a private organization for investment consulting services.

2. Standard terms and conditions of SMU to be included in the contract are attached as Sample Agreement. In submitting a proposal, the firm shall be deemed to have agreed to each provision set forth in the Sample Agreement unless the firm identifies the provision to which objection is made and submits alternative language to make the provision acceptable to the firm.

**REFERENCES**

**References:** Three references are required with your bid. These references should relate to projects of a comparable scope completed by your firm.

**REFERENCE #1:** Company Name \_\_\_\_\_

Address \_\_\_\_\_

Contact/Title \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_

**REFERENCE #2:** Company Name \_\_\_\_\_

Address \_\_\_\_\_

Contact/Title \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_

**REFERENCE #3:** Company Name \_\_\_\_\_

Address \_\_\_\_\_

Contact/Title \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_