



# Office of Labor Relations

## Deferred Compensation Plan & NYCE IRA

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nyc.gov/deferredcomp and nyc.gov/nyceira

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### ADDENDUM 1.

**TO:** PROSPECTIVE PROPOSERS

**FROM:** OFFICE OF LABOR RELATIONS (OLR), CITY OF NEW YORK DEFERRED COMPENSTION PLAN (PLAN)

**DATE:** June 23, 2023

**RE:** REQUEST FOR PROPOSALS FOR INVESTMENT CONSULTING SERVICES (RFP), PIN 214230000467

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The following are questions from prospective proposers regarding the above-referenced RFP:

Question #1: Can the City provide a sample of the monthly reporting and written summaries required under the scope?

**Answer:** For proposers intent on submitting a proposal in response to the RFP, please email Elizabeth Krupa at [ekrupa@nyceplans.org](mailto:ekrupa@nyceplans.org) for a copy of the Plan's most recent quarterly report and monthly flash report.

Question #2: How many days after the close of the month/quarter would BNY be able to provide audited data to the vendor?

**Answer:** Most audited statements are available after 7 business days, but the audited Stable Income Fund statement takes 30 days.

Question #3: Does the city have any perspective on how often managers and BNY are reconciling positions (quarterly, semi-annually, etc.)?

**Answer:** Daily reconciliation.

Question #4: How does the City define 'reasonableness' (Section D, item 2 of the Scope of Services) and if a return is deemed unreasonable, is it the vendor's responsibility to determine the source?

**Answer:** Yes.

**Question #5:** In the event an error occurs, and the custodian must make a change to performance, is the vendor able to correct the error in the period or must errors be corrected retroactively using the 'as of' date?

**Answer:** The custodian is not calculating performance. The Plan's investment consultant is responsible for calculating performance.

**Question #6:** Would the City be open to modifications to the current report? The content would largely be the same, but formatting and structure would vary.

**Answer:** Yes, please include any proposed modifications to the current report in your proposal.

**Question #7:** Can the City provide insight into previous topics requested by the Board as referenced in item G in the Scope of Work?

**Answer:** Such topics reviewed in the past included: structure and glidepath of Plan's customized target-date portfolio and review structure and allocation of a particular multi-manager core investment option.

**Question #8:** Can the City provide a sample of the appraisal and transactional data from the Custodian that would be used by the vendor to independently calculate returns?

**Answer:** This information is not necessary for submission of a proposal in response to this RFP.

**Question #9:** How often is the asset allocation model rebalanced?

**Answer:** The Plan's Pre-Arranged Portfolios (target date funds) are rebalanced quarterly.

**Question #10:** When does the City expect to complete RFPs for Recordkeeper, for the custodian?

**Answer:** The Plan's current recordkeeper is Voya Institutional Services. The Plan's current global custodian is Bank of New York Mellon.

**Question #11:** Do you currently have an Investment Consultant that is under contract? If so, could you advise who that firm is? What is their current compensation fee and arrangement? If you do not currently have an Investment Consultant, what has prompted you to hire one now?

**Answer:** The Plan's current investment consultants are Milliman, Inc., Mercer Investment Consulting and New England Pension Consultants. The fees for the current investment consultants are not relevant to this procurement. The Rules and Regulations of the New York State Deferred Compensation Board require that the Plan regularly procure for investment consulting services.

**Question #12:** Do you have a current Investment Policy Statement (IPS) on all the retirement plans and IRA? If so, please provide.

**Answer:** The IPS is not necessary for submission of a proposal in response to this RFP.

**Question #13:** Who is the current record-keeper on the 457(b) Plan?

**Answer:** See Response to Question #10.

**Question #14:** Could you provide the Annual Plan Review for the 457(b), 401(k), 401(a), and IRA Plan?

**Answer:** Please use the below link for copies of the Plan's Annual Reports:  
[dcp-forms-and-downloads \(nyc.gov\)](https://dcp-forms-and-downloads.nyc.gov)

**Question #15:** Could you provide a copy of the plan documents and administrative service agreements for all the retirement plans?

**Answer:** These documents are not relevant to this procurement.

**Question #16:** Are you looking for quarterly due diligence review meetings?

**Answer:** Yes.

**Question #17:** If so, are you looking for those committee meetings to be in person, virtually, or a combination?

**Answer:** A combination, based upon circumstances.

**Question #18:** New York City paying for the Investment Consulting Services? Or is it being built into the plan expenses?

**Answer:** The Plan pays directly for Investment Consulting Services.

**Question #19:** Can you please provide the reason for the issuance of this RFP?

**Answer:** See response to Question #11.

**Question #20:** Can you please advise how many full-time employees are dedicated to working on the Plans?

**Answer:** This question is not relevant to this procurement.

**Question #21:** How many manager searches have been conducted each year, over the last 3 years?

**Answer:** 2021:3; 2022:3; 2023:2

**Question #22:** When was the last time you conducted a target date fund review, fee benchmarking review, and/or an investment menu review?

**Answer:** The DCP Board reviews these items on an annual basis.

**Question #23:** Can you please provide your investment policy statement?

**Answer:** See response to Question #12.

**Question #24:** Can you please provide the name and length of time that the current consultant has been retained?  
a. Are they invited to re-bid?

**Answer:** See response to Question #11. All current investment consultants may submit a proposal.

**Question #25:** The 2021 ACFR provided in the RFP states the Plan's investment consultants are Mercer Investment Consulting, NEPC, LLC, and Milliman. Do all three firms perform the services outlined in this proposed scope of work? If not, which of the three named firms currently provides this scope of work?

**Answer:** Yes.

Question #26: Can you please provide the current fee being paid for investment consulting services?

**Answer:** This question is not relevant to the current procurement.

Question #27: Regarding Section 1.12- Statement of Qualification. The requirement asks for at least three business and financial references. Is it sufficient to provide three current client references?

**Answer:** Yes

Question #28: The requirement also asks for a copy of the most recent certified audit and latest annual reports. Is it sufficient to provide two years of audited financial statements? As a privately-held company, we do not have an annual report.

**Answer:** Yes.

Question #29: Do you require Crime and Cyber Liability Insurance? The amounts are blank in Appendix A, Schedule A.

**Answer:** A minimum of \$1M.

Question #30: In the RFP, on page 24-Fiduciary Acknowledgement section- requires that the vendor shall furnish Proxy Voting services to the Plan pursuant to the provisions of this Agreement.

We do not provide proxy services. However, we do assist in drafting the policy and guidelines statement that regulates the voting of proxies by investment managers on behalf of our clients. In addition, we can assist the plan in selecting a qualified third-party proxy voting service if desired. Would this disqualify us?

**Answer:** This is a typographical error, please disregard.