



# 457 Trustee & Recordkeeper Recommendation

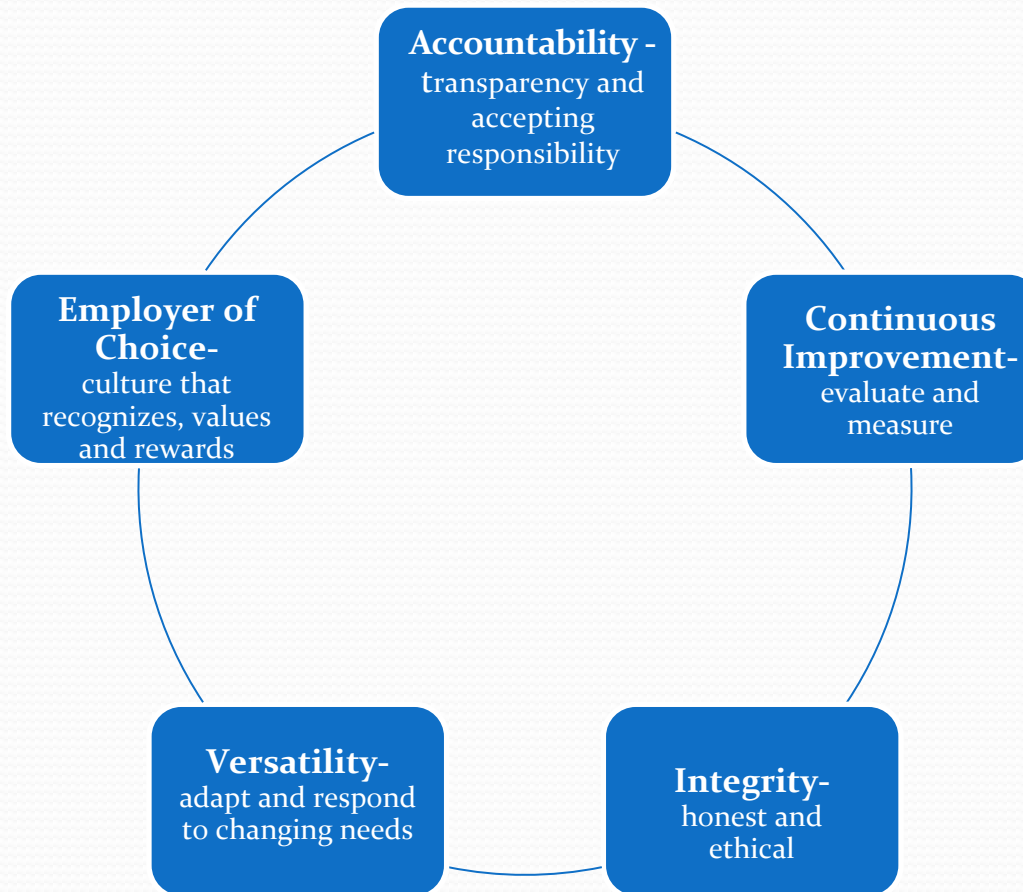
Leslie Ritter, PHR  
Director of Human Resources

# Table of Contents

- 1. Purpose of Vendor Evaluation**
- 2. Timeline**
- 3. Vendor Search Process**
- 4. Vendor Due Diligence and Ranking Factors**
- 5. Final Rankings and Recommendation**

# Purpose of 457 Vendor Evaluation

## The ACTIVE Principles



# Timeline

September 2016  
Committee established  
Brought current vendor (ICMA\_RC) on-site

November 2016  
Released Request for Proposals (RFP)

December 2016 - January 2017  
Review proposals and score responses for preliminary rankings

February 2017  
Brought top three scoring vendors for on-site presentation

March 2017  
Committees final scoring and selection  
Presentation to the Board of Trustees

# 457 Vendor Search Process

## 457 Research

- Established an internal committee to evaluate current vendor including Project Mgmt, Internal Audit, HR, Investments, IT, Finance, Legal and Executive
- Enlisted RVK, as well as members of investments staff to craft Request for Proposals (RFP)

## Request For Proposal

- Identified and sent RFP to 17 national and regional firms with 457 capabilities to directly solicit proposals, and posted RFP to TMRS Website
- 5 proposals received

## Evaluation Grid

- Committee, with guidance from Internal Auditor, developed the evaluation grid, ranking factors and weighting
- Committee: Leslie Ritter (Dir of HR), Eric Davis (Deputy Executive Director), Chris Schelling (Dir of Private Equity), Carol Leung (Investment Analyst), Rhonda Covarrubias (Dir of Finance)

## Evaluation

- Discussion about proposals and ranking factors
- Selection committee independently reviewed and scored RFP responses
- Top three vendors were brought on-site for presentations
- Selection committee independently reviewed and scored top three vendors post on-site

## Recommend

- References checked on top scoring vendor
- Selection committee met to discuss scoring and final decision on vendor was made
- Number 1 ranked vendor selected for recommendation to TMRS Board for approval

# 457 Vendor Proposal Evaluation and Ranking Factors

| Firm Strength   | Recordkeeping  | Communication and Education   | Compliance Services  | Investments   | Transition and Implementation  | Fees and Expenses   |
|---|--|---|--|---|--|---|
| <ul style="list-style-type: none"><li>• Includes experience and qualifications</li><li>• Weighted 200 out of 1000</li></ul> | <ul style="list-style-type: none"><li>• Includes technology, Investment Access and Fee Administration</li><li>• Weighted 125 out of 1000</li></ul> | <ul style="list-style-type: none"><li>• Includes online tools and on-site sessions</li><li>• Weighted 125 out of 1000</li></ul> | <ul style="list-style-type: none"><li>• Includes reporting</li><li>• Weighted 75 out of 1000</li></ul> | <ul style="list-style-type: none"><li>• Includes open architecture</li><li>• Weighted 175 out of 1000</li></ul> | <ul style="list-style-type: none"><li>• Includes timeline and efficiency</li><li>• Weighted 50 out of 1000</li></ul> | <ul style="list-style-type: none"><li>• Includes fund expense ratios and administrative fees</li><li>• Weighted 250 out of 1000</li></ul> |

Total of 1000 points.

# Preliminary Rankings

| Vendor   | Ranking | Intial Response Score out of 1000 |
|--|---------|-----------------------------------|
| Great-West Life & Annuity Insurance Company (aka "Empower Retirement") | 1       | 867.6                             |
| Vendor B   | 2       | 785.8                             |
| Vendor C   | 3       | 767.6                             |
| Vendor D   | 4       | 605.8                             |
| Vendor E   | 5       | 585.8                             |

# Final Rankings & Recommendation

| Firm               | Ranking & Score<br>(w/missing comm. member) | Ranking & Score<br>(w/o missing comm. member) | Recommendation |
|--------------------|---|---|----------------|
| Empower Retirement | 1 On-site Score: 916.1                      | 1 On-site Score: 900.3                        | YES            |
| Vendor B           | 2 On-site Score: 884.7                      | 3 On-site Score: 875.7                        | NO             |
| Vendor C           | 3 On-site Score: 877.0                      | 2 On-site Score: 877.0                        | NO             |

Top 3 candidates were re-evaluated and re-scored after on-site presentations.



# Empower Retirement Qualifications

- Over 40 years of 457 experience
- Has transitioned clients from ICMA-RC to their platform
- Gained more clients than lost over the last three years
- Updated and intuitive website and tools
- Austin office and representation
- Other Texas clients include: Employees Retirement System of Texas, City of Austin, Travis County, and City of Hurst

# TMRS Dedicated Retirement Counselor

Chara Green

## Experience

- Joined Empower in 2010 and has been in the retirement industry since 2006

## Education

- BA in Business from University of North Texas

## Professional designations

- FINRA Series 6 and 63 registrations
- Obtaining Series 65 registration