

BACKGROUND

Capital Area Community Services, Inc. ("CACS") is a nonprofit organization with approximately 400 employees serving four (4) counties in Michigan. CACS is a private, nonprofit corporation and has been determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is governed by a 27-member volunteer board of directors. Administrative offices and all records are located at two (2) locations in Lansing, MI. Other offices are located throughout the four-county service area of Clinton, Eaton, Ingham, and Shiawassee counties.

OVERVIEW OF PROJECT/SCOPE OF SERVICES

The objective of this Request for Proposal (RFP) is to select a partner that can provide quality and consistent administration, investments, and record-keeping services to the Plan Sponsor and Plan Participants, for its retirement plan, at a competitive price.

The employer is evaluating all facets of running a quality retirement plan. If your firm only provides part of the services outlined in this RFP please include your partner firm's capabilities and fees to provide full and complete retirement plan functionality.

QUALIFICATIONS REQUIRED

Qualified Candidates:

1. Has been a legal business entity for at least ten years as of July 15, 2021.
2. Has been offering retirement plan services (administrative, actuarial, and/or investments) for at least five years as of July 15, 2021.
3. Can help maintain and increase participant satisfaction with the plan offered.
4. Delivers consistent, accurate, responsive, and professional administrative and investment services.
5. Provides ongoing communication and education to the Plan Sponsor, its Fiduciaries and Plan Participants regarding the Plan.
6. Provides information and consultation to the Plan Sponsor and its Fiduciaries regarding Plan-related matters (such as changes to laws affecting the Plan, compliance issues, Fiduciary duties, etc.)
7. Is not on the Debarred or Suspended Organization Federal listing.

DESCRIPTION OF THE PLAN

The Plan is a participant-directed defined contribution plan established for a not-for-profit organization, commonly known as a Code Section 403(b) savings plan. The original effective date of the Plan was January 1, 2008. Capital Area Community Services, Inc. is the plan sponsor and is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. As of June 30, 2021, the Plan's investments are approximately \$7,300,000, reported at fair value.

HOW TO SUBMIT WRITTEN RESPONSE AND DEADLINE

Candidates must submit their responses for the enclosed RFP Questionnaire via email and regular mail (three (3) copies) NO LATER THAN August 6, 2021 to:

Traci Kuiper
Director of Finance
Capital Area Community Services, Inc.
101 E. Willow St.
Lansing, MI 48906
(517) 482-6281
traci@cacsmi.org

Proposals received after the due date will not be considered. If you have any questions, please contact Traci Kuiper at the email or telephone number identified above.

All questions must be answered and referenced in the order provided in the RFP.

If the proposal is sent by mail or commercial express delivery service, the Candidate shall be responsible for actual delivery of the proposal to the proper address before the deadline. The cost of preparing proposals will be borne by the Candidate.

EVALUATION OF PROPOSALS AND FINALIST PRESENTATIONS

The Committee that evaluates each Candidate's proposal will do so in a fair, consistent, and objective manner. Responses to questions or requirements identified in this RFP will form the basis of the Committee's evaluation. The primary objective of this RFP is to select the firm that most fully meets the Organization's requirements for comprehensive services in the most cost-effective manner.

During the evaluation process, the Committee may, at its discretion, request any or all firms to make oral presentations. Such presentations will provide these firms an opportunity to answer specific questions the Committee may have on a particular firm's proposal.

After an initial evaluation of the Candidates, the Committee will select the Finalists. Each Finalist will be required to make a formal presentation to the Audit, Budget, and Finance Committee of the Board of Directors. It is highly recommended that the lead consultant be present at the Finalist's presentation.

The Final decision regarding proposal selection and awarding of the contract will be subject to Board of Directors review and approval.

OVERVIEW OF COMPANY

1. General background information about you or your firm, including number of years in business, location(s), and principal(s). Also include any parent, affiliated, or subsidiary company or partnerships and an organizational chart.
2. Within the past three years, have there been any significant developments in your firm such as changes in ownership, restructuring, or personnel reorganization? Do you anticipate any significant future changes?

3. Describe your organizational philosophy/approach to client services.
4. What is the location of the office that will be providing services for our Plan?
5. Total number of employees and a list of those that would be dedicated to our account. Show names, professional designations, and years employed at your firm.
6. Do you have on-staff ERISA counsel?
7. Do you have on-staff actuaries?
8. Description of trust/custody/recordkeeping or other system utilized to administer or otherwise manage our plans.
9. Description of trust/custody/recordkeeping or other system conversion planned in the next 12 months.
10. Will you utilize Subcontractors on our plan? If yes, describe what service(s) subcontractors will perform.
11. Will your firm, its employees, and/or any affiliated or related entity be paid fees and/or commissions (including those from revenue-sharing and commission recapture) for its services to our plan from sources other than the plan?
12. Is there a minimum length of time we must retain your company's services?
13. If we are not satisfied with your firm's services at any time, can we terminate our contract and move to another provider without penalty?

I. STANDARD OF CONDUCT/SECURITY

1. Provide a copy of your latest SAS 70 or a statement that you do not have one.
2. Provide a description of your data security policies and procedures, including those related to physical access, data encryption, backups, and disaster recovery.
3. Do you conduct periodic risk assessments to identify cyber security threats, vulnerabilities, and potential business consequences?
4. What are the processes and systems for dealing with cyber security threats and protection of personally identifiable information?
5. Do you have a Chief Information Security Officer or equivalent position?
6. Describe your Privacy Policy or provide a copy of the written Privacy Policy.

II. INSURANCE AND LIABILITY

1. Description of insurance coverage including Errors & Omissions, Fidelity Bond, Fiduciary Liability, Professional Liability and Workers Compensation.
2. Within the last five years, has your company (including any principals, officers, etc.) in any capacity been a party to any litigation, directly or indirectly, related to the conduct of your business, or retirement plans in general?

IV. RECORDKEEPING AND ADMINISTRATION

1. Will our authorized staff have online access to the Plan records? If yes, describe the functions and benefits of your system.
2. Describe your billing process.
3. Are participants' accounts valued daily? How does your system allocate earnings?
4. Describe how your system processes contributions.
5. Can employer and employee contributions be tracked separately?

6. Describe your process for reallocations and transfers among investment funds. Are confirmations sent? Do you limit the number of reallocations allowed?
7. What information and transaction capability is available to plan participants at the website?
8. Do you provide plan participants with their personal rate of return?
9. Describe how data is secured within the system (*i.e.*, PIN, audit trail, confirmations).
10. Describe your disaster recovery/backup procedures for the computer system.
11. What checks and balances do you have in place to ensure transactional integrity?
12. Describe the independent review that is performed on your systems and procedures.
13. Describe education tools or programs designed to support IRA rollovers and/or retirement distributions.
14. Do you provide loan administration services?
15. How are services delivered to inactive (terminated) plan participants? Can you counsel them on distribution options?
16. What is your turnaround time for participant distributions?
17. Describe the standard statements and reports you would provide. Can you provide additional reports? Include a sample plan management report that includes such data as total plan assets by fund, cash flow summaries, participant usage statistics, etc. Are those reports available upon request (online)?
18. How can you assist us with plan audits?
19. Provide a general list of services.

V. COMMUNICATION AND EDUCATION

1. Briefly describe your background and experience in providing communication and education programs.
2. What are the key elements of your communication and education program package?
3. Will your representatives conduct initial and ongoing on-site or virtual enrollment and education meetings?
 - a. Where/how are the sessions held and how often?
 - b. Does the Plan Sponsor need to compensate your representative for travel?
 - c. Are there any additional fees for representatives being on-site?
4. Will your representatives be available to meet regularly with our investment committee to review the plan and investment options? If so, how often can these meetings be provided and what information will you be providing?
5. How will you assist us with employee enrollment?
6. Are there any additional charges for group or individual meetings? If yes, what are the charges to the Plan Sponsor?
7. How would you educate our employees so they can make informed allocation choices among the available investment options? What materials do you provide?
8. Do you provide training to the Plan Sponsor?
9. Provide samples of all your educational material.

VI. COMPLIANCE SERVICES

1. Does your company provide document services to the Plan Sponsor? Are contracts updated to comply with applicable regulations? How often? At what cost?

2. Describe any costs related to any amendments to the plan document, including those required by regulation and/or initiated by the plan sponsor.
3. What assistance do you offer in drafting, designing, printing, and distributing Summary Plan Descriptions?
4. How do you keep Plan Sponsors informed and updated on any regulatory and legislative changes?
5. How do you ensure that your recordkeeping system complies with all regulations?
6. How does your Company assist us with the Annual Return/Report (IRS Form 5500) filing?
7. Describe all the testing and other administrative work you will provide. Is there standard testing or administrative work that you do not normally perform?
8. Do you monitor section 402(g) and 415 contribution limits?
9. How do you notify participants of Minimum Distribution requirements? Describe your procedure.
10. Describe how your system handles federal tax withholding. Do you prepare and issue tax statements on distributions?
11. How do you handle employee fee disclosure notices?

VII. CONVERSION SERVICES

1. Explain your conversion process, including time frame, based on the options available (*i.e.*, mapping, etc.).
2. Is a "black-out" period required? If yes, what is restricted or not available during that time? How will you assist the transfer of restricted funds?
3. What involvement will be required from us during the conversion process?
4. Do you provide and distribute all required notices?
5. Do you provide a dedicated conversion team?
6. How does your system handle conversion set-ups of pre-existing loans from another recordkeeping system?
7. How do you monitor the effectiveness and quality of your conversion process and team?

VIII. INVESTMENT SERVICES

1. How many investment options do you offer?
2. What types of funds are offered?
3. Who manages the funds?
4. How long have you been providing investment services?
5. Do you offer a fixed interest investment option? Is it fully transferable upon contract termination or participant withdrawal? Do you have the right to impose a market value adjustment?
6. Do you offer life cycle or retirement date funds?
7. How are your investment options selected? How are they monitored?
8. Do you offer the possibility for participants to transfer their funds to another qualifying account not managed by your company?
9. Do you offer funds with exit restriction or lock-in periods?
10. What information will we receive about investment options? Provide copies of all reports that are available.

11. Will your firm, its employees, or any related entity be paid or receive any 12b-1 fees, commissions, or other forms of compensation from any of the funds available under our plan?

X. FEES

1. Provide an expense schedule. Please identify any fees for the following:
 - a. administrative fees
 - b. asset-based fees
 - c. employee communication and educational material
 - d. on-site meetings
 - e. document services
 - f. transaction-based fees (e.g., QDRO processing, check charge for withdrawals, etc.)
 - g. front-end loads
 - h. back-end loads (surrender charges)/duration
 - i. participant statements
 - j. voice response system
 - k. ongoing services
 - l. commissions
 - m. consulting services (included and related hourly charges)
 - n. contract termination fees
 - o. A full and complete description of any fees, etc. as required under 408(b)(2) that will be assessed for our plans directly or indirectly. Include frequency (*i.e.*, quarterly, monthly, etc.)
2. How are expenses adjusted if a sizable number of participants are added or removed from the plan (such as either through acquisition or divestiture or partial plan termination)?
3. Provide a specimen copy of your client service agreement, contract, or other relevant documents that we would be required to sign.
4. Have your fees changed over the last five years? Please explain.

XI. OTHER INFORMATION

1. Describe how your firm and the services it offers differ from the competition.
2. Describe how your firm supports local and national communities.
3. Provide at least three client references comparable to this organization in either number of employees or plan assets (organization name, contact, phone number and email, number of participants, and years as a client). Include at least one reference that converted to your products in the last 12 months.
4. What else would you like us to know about your firm in our consideration of this proposal?

End of Questionnaire