

REQUEST FOR PROPOSALS

**401(k) PROFIT SHARING PLAN ADMINISTRATION
AND RECORDKEEPING SERVICES**

**Maine Manufacturing Extension Partnership
87 Winthrop Street
Augusta, Maine 04330**

December 15, 2019



MAINE
MEP
MANUFACTURING EXTENSION PARTNERSHIP

**Maine Manufacturing Extension Partnership
Request for Proposals for Professional Services
For 401(k) Profit Sharing Plan Administration and Recordkeeping Services**

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**Maine Manufacturing Extension Partnership
Request for Proposals for Professional Services
For 401(k) Profit Sharing Plan Administration and Recordkeeping Services**

I: INTRODUCTION

1. Maine Manufacturing Extension Partnership (“Maine MEP”) is soliciting proposals from interested firms for the provision of 401(k) Profit Sharing Plan Administrator and Recordkeeping services. Services should include education, consulting, compliance, monitoring and recordkeeping services for Maine MEP 401(k) Profit Sharing Plan.
2. Maine MEP was incorporated as a 501(c) (3) on June 18, 1998 in the State of Maine. The Organization is an educational extension program established to provide small- to medium-sized manufacturers (SMEs) located in the State of Maine, with assistance in applying production and process technologies and business management practices to their operations. The Organization links public and private service providers and complements federal, state, and local programs.
3. Maine MEP’s plan has approximately \$1.9 million in assets. As of November 1, 2019 the plan had a total of eight (8) active members, three (3) vested inactive members, and one (1) participant in pay status.
4. Currently the annual contributions are approximately One Hundred Thousand dollars (\$100,000.00). Contribution transactions are completed on or prior business day of the fifteenth (15) day and on or prior business day of the last day per month.
5. To Enroll in the Plan, employees must meet the following criteria, once met eligible employees may enroll immediately:
 - a. Age 21 or older;
 - b. Completed three (3) months of service.
6. The Plan allows for employee Before-tax Contributions and Roth Contributions.
7. The Employer contribution is currently (7%) of gross wages.
8. The value of employee contributions (including rollovers from previous employers), employer contributions and any earnings generated are 100% vested.
9. Qualifying distribution events are as follows:
 - a. Retirement;
 - b. Permanent disability;
 - c. Financial hardship (as defined by the Internal Revenue Code);
 - d. Severance of employment (as defined by the Internal Revenue Code provisions);
 - e. Attainment of age 59 ½;
 - f. Death (beneficiary receives benefits).
10. The Plan allows an employee to borrow the lesser of Fifty Thousand dollars (\$50,000.00) or 50% of the vested account balance. The minimum loan amount is One Thousand dollars (\$1,000.00).

There is a Seventy-five dollar (\$75.00) origination fee for each loan, plus an ongoing annual Fifty dollar (\$50.00) fee.

11. The questions contained in this RFP will apply to all firms interested in responding with the intent of providing investment management advisory services and will also frame the specifications that will be used to evaluate proposals. Please respond completely and concisely to all the information requests in the RFP in the order and format requested.
12. Proposal must be received no later than 3:00 PM on January 31, 2020. One (1) electronic copy of each proposal is to be submitted. No hard copies will be accepted. The proposal must be delivered via email with a PDF file attachment to Debra Gibb at debrag@mainemep.org.
13. Maine MEP will consider procuring 401(k) Profit Sharing Plan management advisory services from a single firm for the period from hire through December 31, 2024. Maine MEP reserves the right, upon mutual agreement with the selected firm, to extend the agreement period for up to two (2) consecutive two (2) year extensions of the existing agreement for a maximum total of eight (8) years. Maine MEP reserves the right to terminate the agreement with thirty (30) days written notice.
14. No proposal will be accepted after the above state date and time. All proposals become the property of Maine MEP and will not be returned. All costs incurred by the respondents in the preparation and submission of a proposal shall be the sole responsibility of the respondent. Following the award of a professional services contract, all applications and disclosure forms shall be public except for proprietary information or other information protected by law.
15. Maine MEP may select a proposal other than the lowest cost provider.
16. Respondents shall receive notice in writing from Maine MEP as to the award made pursuant to this RFP. Within ten days of awarding the contract, Maine MEP will transmit the original application form, a summary of the basis for the award, and required disclosure form to all unsuccessful applicants and post on Maine MEP website at least seven days prior to execution of the contract.
17. Maine MEP reserves the right to cancel this RFP at any time and to reject any and all proposals submitted in response to this RFP, if Maine MEP determines such action or actions to be in the best interest of the membership of the pension plan as permitted by law. Maine MEP also reserves the right to request clarification of any submission, modify or alter the scope of services and solicit new submission, reject any or all submissions, and waive immaterial irregularities as permitted by law.

II. OVERVIEW OF RFP EVALUATION PROCESS

1. Maine MEP will receive proposals, disclosures and additional materials from applicants through January 31, 2020 at 3:00 PM.
2. Maine MEP will conduct a pre-screening to ensure all materials have been submitted.
3. An initial screening will then be conducted to determine whether or not applicants meet the minimum eligibility requirements as outlined by Maine MEP.
4. Applications will be reviewed by a designated committee. Evaluation criteria will center upon the applicant's qualifications, experience, expertise, and fee schedule. The evaluation process shall include, but not be limited to, consideration of:
 - a. The applicant's qualifications, experience and expertise related to Maine non-profit 401(k) profit sharing plans and approach to managing risk and research capabilities;
 - b. The applicant's knowledge of Employee Retirement Income Security Act (ERISA);
 - c. The quoted fee(s) associated with the desired service(s) sought;
 - d. The applicants availability to attend meetings;
 - e. The response of the references provided by the applicant; and
 - f. The ultimate confidence of Maine MEP in the applicant's ability to meet Maine MEP goals and address Maine MEP concerns.
5. The review committee will select up to three (3) finalists for interview. Interviews are expected to be scheduled for either late February or early March, 2020.
6. Applicants that are not chosen for an interview will be notified of their status.
7. After interviews, a recommendation for selection shall be made by the review committee to Maine MEP Finance Committee for approval.
8. It is anticipated that Maine MEP Finance Committee will make a final selection on March 31, 2020, subject to change.

III: COMMUNICATION RESTRICTION

1. Except as specifically authorized in this RFP, effective as of the RFP opening date above and prior to the time of a decision by Maine MEP and subsequent closing of this RFP process, there shall be no communication of any type regarding this RFP, any aspect of a response to this RFP, or the awarding of a contract related in any way to this RFP between a prospective applicant and any:
 - a. Employee of Maine MEP;
 - b. Board of Director of Maine MEP;
 - c. Any individual in a position to influence the decision with respect to the RFP.
2. Applicants may not permit or cause any employee or a third party to directly or indirectly violate these communications restrictions. Any communication by an applicant or third party on behalf of an applicant that violates the terms of this communications restriction is grounds for immediate disqualification of that applicant.
3. Applicants may make inquiries for clarification of technical or administrative information related to this RFP to the designated contact. No other questions or forms of communication are authorized between Maine MEP, its officials and employees, or any individual or entity associated with the applicant. Communications related to the RFP that are directed to someone other than the designated contact will not be accepted. The designated contact is:

Debra Gibb

Finance Manager, Maine MEP

Phone: 207-623-0680 ext. 121

Email: debrag@mainemep.org

All email inquiries should have the Subject: Maine MEP RFP

IV: MINIMUM REQUIREMENTS

Applicants that respond to this RFP must be able to meet or exceed the following minimum criteria in order to be considered for the award of the professional services contract. Applicants will be required to document that they meet or exceed the minimum criteria stated below.

1. The applicant must be a federally registered investment advisor;
2. The Applicant must act and represent itself as a fiduciary with respect to Maine MEP and the 401(k) Profit Sharing Plan;
3. The Applicant firm must maintain an errors and omissions insurance policy and/or fiduciary liability insurance policy for coverage of negligent acts or omissions and/or breaches of fiduciary obligations and duties. During the entire period of the agreement, the selected firm shall maintain professional liability insurance and provide Maine MEP with a certificate of insurance;
4. The Applicant's designated team must have a minimum of ten (10) years of experience providing similar Plan Administrator services to non-profit entities as desired under this RFP;
5. The Applicant firm must have the ability to provide a clearly functional services platform that address all desired services in this RFP – directly or in partnership with a subcontractor;
6. Full disclosure: Applicants shall disclose all fees, direct and indirect, associated with any aspect of the services proposed. This includes all fees paid to and received by all subcontractors and advisors to the contractor including all fund costs such as Expense Ratios, if applicable. Failure to do so will result in immediate disqualification from the RFP process.

V: SERVICES REQUIRED

All Applicants that respond to the RFP should be able to provide, or facilitate through a subcontractor, a complete package of Investment, Advisory and Recordkeeping services that will include the items listed below. Any services that will be provided by a subcontractor should be noted, and any additional fees that will be charged by the subcontractor must be disclosed.

1. Conversion fee including but not limited to; participant records set-up, training plan sponsor representatives, coordinating processing, takeover loans, re-enrollment, asset transfer coordination, record transfer coordination, participant regulatory notices, participant communications; transition communications meeting and other (be specific);
2. Employee Communication & Education including but not limited to; generic enrollment material, awareness material, audio tapes, video, periodic newsletter, retirement planning tools, pre-retirement planning tool, investment education materials, initial enrollment/education meetings (frequency) and other (be specific);
3. Administration fees including but not limited to; new enrollments, eligibility calculations and tracking, beneficiary elections and tracking, administration manual and updates, consulting (new plans and plan changes), provider email, on-line access, on-site meetings (include frequency), wire fees and other (be specific);
4. Trustee services fees including but not limited to; plan trustee services, internal stable value investments, internal variable return investments, external stable value investments, external variable return investments, loan fund fees, other (be specific);
5. Custodial services fees including but not limited to; audit packages and reporting, 5500 schedule reporting, on-line access to reports, holdings and transactions, asset-based fees, portfolio-based fees, transaction-based fees, other (be specific);
6. Web, mobile, voice response, participant access fees including but not limited to; information and/or transaction access via voice response, information and/or transaction access via service representative, information and/or transaction access via web, information and/or transaction access via mobile device, time or processing charges, PIN issuance and/or reissue changes, other (be specific);
7. Recordkeeping fees including but not limited to; all processing transactions, participant statements (detail and frequency), plan level reports (includes form 5500, ad hoc, special and other), plan sponsor WEB for information and transaction access, data preparation (compliance and discrimination testing), systems changes;
8. Termination fees including but not limited to; transactions, market value, risk, other (be specific);
9. Cost to amend the plan;
10. Other fees; please provide detail.

All associated charges for these services must be illustrated in the completed fee schedule Appendix A (Attached)

VI: PROPOSAL QUESTIONS

A: ORGANIZATION AND BACKGROUND

1. Briefly describe the organization, the year it was founded, location of its headquarters and office that would hand Maine MEP as a client (if separate from headquarters), its ownership structure, and any affiliations with other companies.
2. Please provide your firm's assets under management.
3. How many 401(k) plans do you administer and what percentage is this of all your clients?
4. How many daily plans do you currently administer and what percentage is this of all your clients?
5. How many 401(k) plans did you add this year, last year?
6. How many clients left this year and why, last year?
7. Do you have any trust/custody or recordkeeping system conversions planned in the next 12 months (only system-wide conversions)?
8. Within the last five (5) years has your organization or an officer of principal been involved in any business litigation or other legal proceedings, including arbitrations, relating to your consulting activities? If so, provide an explanation and indicate the current status or disposition.

B: CLIENT SERVICE/QUALITY ASSURANCE

1. Please describe the team that would deal directly with us during the transition and on an ongoing basis. Indicate staff size, experience and turnover rates.
2. What is the average number of clients managed by the relationship manager or plan administrator for plans of this size?
3. Describe your organization's commitment to quality and your philosophy/approach to client services.
4. Describe your procedures for monitoring:
 - a. Client satisfaction
 - b. Participant satisfaction
 - c. Operational Controls
5. What checks and balances do you have in place to assure plan administration integrity and accuracy including participant account data?
6. Describe any training, events or publications you provide to your plan sponsor clients or their advisors. Include a description of the programs, the method used to distribute information or train client staff, and the frequency the programs are delivered.

C: RECORDKEEPING/ADMINISTRATION

1. Do you provide one main contact for the daily administrative needs of this plan?
 - a. If yes, how many plans does this administrator handle?
 - b. If no, how are workloads and plans assigned?
2. Do you provide daily valuation/balance forward valuations? If balance forward, describe in detail how your system calculates or allocates earnings.
3. Describe in detail how your system processes contributions.
4. Do you qualify hardship withdrawals? If so, please describe methodology and documentation requirements.
5. Describe in detail, including timing, how your system processes withdrawals (i.e., in-service and hardship withdrawals).
6. Describe in detail, including scope of services, timing and workflows, how you handle and process:
 - a. Lump-sum distributions
 - b. Systematic payments/installments
 - c. Annuities
 - d. Rollovers to another plan or an IRA
 - e. Required minimum distributions
7. What payment and support options are available to terminated/retired participants who wish to keep funds in the plan?
8. Describe in detail how your system process transfers/exchanges (including frequency/limitations). Provide detailed timing and workflows as well as details of the confirmation process and the options available for delivery of confirmations (print, on-line, email, text, etc.)
9. Describe your process and methods of investment reallocation (percent and/or dollar).
10. How many types of contributions can be tracked separately? Provide a listing of the money types your system can track.
11. Describe in detail your system's vesting calculation capability?
12. Describe in detail how your system handles Federal and State tax reporting?
13. What checks and balances do you have in place to ensure transactional integrity?
14. Describe in detail how your firm handles processing errors. Indicate as well how you decide on your correction approach and how the error and correction approach are communicated to your clients.

15. Describe your beneficiary services including gathering and storing beneficiary information, prompting participants to update beneficiaries, accessing beneficiary information in the event of the participant's death.
16. Do you provide an administration manual?
17. What other administrative services do you provide? Please describe.

D: REGULATORY SERVICES

1. Describe all the plan testing you will provide. Are there standard testing which you do not normally perform?
2. How do you address violations for any of the testing covered in question 1?
3. Can you assist us in the plan document design/revision? If so how? Describe in full fees?
4. Describe the type of legal support included in your proposal and any fees that apply?
5. Do you provide either or both of the following:
 - a. Information to complete Form 5500
 - b. A signature-ready Form 5500
6. What fiduciary responsibility does your organization assume? Indicate what services are to be provided as a fiduciary or registered investment adviser.
7. If you do not offer fiduciary services, do you partner with any third parties for fiduciary services? If so, describe the services and the providers available.
8. How do you keep plan sponsors informed and updated on any regulatory and legislative changes?
9. How will you ensure that our plan remains in compliance?
10. Describe any support you provide for the plan's annual audit. Please indicate any support that is standard and included in your proposal, and any support available for additional cost.

E: INVESTMENTS

1. What is the maximum number of investment funds options our plan can have? How many funds did you assume in your fee quote? What is the cost per fund in excess of your quote?
2. What information will we receive about investment options?
3. Discuss your company's ability to provide quality investment vehicles and a well-diversified portfolio. List investment options available.

4. Explain the methodology and data sources used to compute portfolio rates of return. How are fees incorporated into the returns?
5. What performance bench marking do you provide on a fund and portfolio level? Describe how benchmarks are chosen or developed.
6. Will your representative be available to meet regularly with our internal committee to review the plan and investment options? If so, how many meetings and frequency are included in your proposal and what information will you be providing?
7. What do you believe sets your performance measurement services apart from the competition?

E: PLAN SPONSOR REPORTING

1. Describe the standard reporting package that you would provide us as well as the medium used.
2. Describe in detail the functionality and content available on you plan sponsor website.
3. Describe the data security and user authentication procedures for your plan sponsor website.
4. Describe how our staff is trained to use your sponsor website.
5. Describe any customized or ad hoc reporting capabilities.
6. What is the standard timeframe for providing each report after the reporting period ends?

F: CONVERSION

1. Explain your conversion process, including time frame, based on the options available.
2. Is a "black-out" period required? If yes, how long is it and what is restricted or not available during that time?
3. What involvement will be required from us during the conversion process?
4. Do you provide a dedicated conversion team?
5. What conversion audit reporting do you provide?
6. Describe your process to ensure accurate conversion of all historical data.
7. Please describe all communications typically provided to participants during the conversion process?
8. How does your system handle conversion/set-ups of pre-existing loans from another recordkeeping system?
9. Please describe how the participant web and call center are introduced into the conversion process including any authentication communications for participants.

Appendix A – FEES

In the fee summary chart below, itemize and explain ALL proposed fees and costs (both direct and indirect) associated with requested services. Failure to disclose all fees for a full retainer basis (including all internal fees and fund expenses) will result in disqualification of the firm's proposal.

- Fees should be based on assets totaling \$2 Million
- Benefit payment cost should be calculated using the current number of participants in pay status.

Also, please identify if the expense is, this will be included in chart below under column (Type of Expense):

- a. One time or on-going
 - b. Breakpoint impacted
 - c. Discount oriented
 - d. Participant paid (direct or account adjustment)
 - e. Plan sponsor paid (billed and billing frequency)
 - f. Paid through indirect compensation from third parties
 - g. Managed through an ERISA/plan expense account
 - h. Guaranteed (and length of guarantee)
 - i. Accounted for or accrued in determining daily investment share/unit value
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Maine MEP
Request for Proposals for Professional Services
For 401(k) Profit Sharing Plan Administration and Recordkeeping Services
Fee Summary for _____ (firm name)

| Description | Fee (basis points) | Fee (in dollars) | Type of Expense (from chart) | Explanation/Formula |
|--|--------------------|------------------|------------------------------|---------------------|
| Conversion fee | | | | |
| Employee Communication & Education | | | | |
| Administration | | | | |
| Administration detail; Consulting (new plans and plan changes) | | | | |
| Trustee Services | | | | |
| Custodial Services | | | | |
| WEB, mobile, voice response, participant access | | | | |
| Recordkeeping | | | | |
| Plan level repots | | | | |
| Termination | | | | |
| Other (detail) | | | | |
| Total Annual Fees | 0 | \$ - | | |