

REQUEST FOR PROPOSAL

457 DEFERRED COMPENSATION PLAN FOR OAK PARK TOWNSHIP

**Sealed proposals will be received by Oak Park Township, Attn: Andy Williams, 105
S. Oak Park Ave., IL 60302, until**

**2:00 p.m., local time
Friday, December 18, 2009**

**This Request for Proposal is also available at
www.oakparktownship.org.**

Background and Objectives

Oak Park Township, Illinois (“the Township”) is accepting proposals from qualified firms to provide administration, recordkeeping, education, and investment management services for the Township’s Section 457 Deferred Compensation Plan.

Listed below are the primary objectives of this review and selection process:

- Lower participant and plan expenses;
- Increase the number of plan participants and contribution levels;
- Provide a simplified investment menu including lifecycle options;
- Provide for an orderly and timely transition;
- Provide group seminars and individual meetings on investment and retirement planning topics;
- Provide for a high level of participant service

Oak Park Township was established in 1903, under Illinois Statute (60 ILCS 1/35.50.2), to provide public services to the citizens of the Township. The Township is geographically coterminous with, but separate from, the Village of Oak Park. The Township is governed by a duly elected Supervisor and a Board of Trustees who are legally empowered to place a tax levy on the real property in the Township, within statutory limitations, in order to support its operations. Through such levy, the Township provides its citizenry with services for seniors, at-risk youth and individuals in need of financial assistance. The Township Supervisor, with the advice and consent of the Township Board also appoints the members of the Community Mental Health Board (CMHB) and approves its funding.

Preparation of Request for Proposals

Proposers are expected to examine the minimum requirements and all special and general conditions. Omission on the part of the proposer to make the necessary examinations and investigations, or failure to fulfill in every detail the requirements of the contract document, will not be accepted as a basis for varying the requirements of the Township or the compensation to the vendor. Failure to do so is at the proposer’s risk. Each offerer shall furnish the information required in the Request for Proposal for Professional Services. The proposer shall sign the Request for Proposal.

Responses to the RFP shall have one (1) marked ORIGINAL and six (6) copies for evaluation purposes. All proposals must be signed with the firm name and by an officer or employee having authority to bind the firm by his/her signature.

Failure to follow the instructions in the Request for Proposal is cause for rejection of offer.

Late proposals will be rejected.

The Township reserves the right to accept or reject any and all proposals or parts of proposals, or waive minor informalities.

Any discrepancies, errors, or ambiguities in the Request for Proposals or addenda (if any) should be reported in writing to the Township’s Business Manager. If necessary, a written addendum will be incorporated in the Request for Proposals and will become part of the contract documents. The Township will not be responsible for any oral instructions, clarifications, or other communications. The Township will not pay costs incurred by any proposer in the preparation of proposals.

Evaluation Criteria

Proposals will be evaluated by an evaluation committee to determine the best qualified firm on the basis of each criterion in accordance with its relative importance.

Written proposals will be scored on the basis of the point values set out below.

Organization	15 points
Participant Services	20 points
Investment Line-up/Flexibility	20 points
Fees and Expenses	20 points
Plan Sponsor Services/Recordkeeping and Administration	15 points
Transition	10 points
	100

Proposers’ response to stated criteria may be verified by the Township. This verification may consist of reference checks, interviews, and site visits.

Schedule

The Township plans to adhere to the following schedule regarding this RFP:	
Distribute Request for Proposal	December 8, 2009
Deadline for written submittal of vendor questions, clarifications, and exceptions of specifications	December 11, 2009
Township’s response to vendor questions	December 15, 2009
Sealed responses due to Township	2 pm, December 18, 2009
Evaluation Period	December 21, 2009 – January 8, 2010
Optional Interviews	January 11-13, 2010
Announcement of Intent to Award	January 29, 2010
Contract effective	April 1, 2010

The anticipated selection date expresses the present intent of the Township to award a contract for deferred compensation plan services and is not a representation, agreement, or promise that in fact any contract will be awarded on that date or at any other time. It is the Township's intent to contract with a single deferred compensation plan vendor, but the Township retains the right to reject any and all proposals made to it.

Questions

Questions regarding this RFP must be submitted via e-mail to Andy Williams, Business Manager, Oak Park Township, at awilliams@oakparktownship.org. **The deadline for submitting questions is December 11, 2009.** Responses will be sent via e-mail to all firms that have expressed an interest by the close of business on December 15, 2009.

Conflict of Interest

The proposer certifies that, to the best of his or her knowledge or belief, no elected/appointed official or employee of Oak Park Township, a spouse thereof or other person residing in the same household, is financially interested, directly or indirectly, in providing the goods or services specified in this proposal. Financial interest includes ownership of more than five percent of the total assets or capital stock or being an officer, director, manager, partner, proprietor, or agent of the business submitting the proposal or of any subcontractor or supplier thereof providing goods or services in excess of ten percent of the total proposal amount.

Default of Contract

In case of default by the proposer, the Township may procure the services from other sources and hold the proposer responsible for any excess costs occasioned or incurred thereby.

Hold Harmless

The parties recognize that the Consultant is an independent contractor. The Consultant agrees to assume liability for and indemnify, hold harmless, and defend the Township, its commissioners, mayor, officers, employees, agents, and attorneys of, from, and against all liability and expense, including reasonable attorney's fees, in connection with any and all claims, demands, damages, actions, causes of action, and suits in equity of whatever kind or nature, including claims for personal injury, property damage, equitable relief, or loss of use, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the Consultant, its agents, officers, contractors, subcontractors, employees, or anyone else employed or utilized by the Consultant in the performance of this Agreement. The Consultant's liability hereunder shall include all attorney's fees and costs incurred by the Township in the enforcement of this indemnification provision. This includes claims made by the employees of the Consultant against the Township and the Consultant hereby waives its entitlement, if any, to immunity.

Proposal Duration

Any submitted proposal shall remain a firm, valid proposal for 120 days after the proposal due date.

Qualification of Proposer

A proposer may be required, before the award of any contract, to show to the complete satisfaction of the Township that he or she has the necessary facilities, equipment, ability and financial resources to perform the work in a satisfactory manner within the time specified.

Any questions should be addressed to Andy Williams, Business Manager, at (708) 383-8005, or awilliams@oakparktownship.org.

SPECIFIC PROPOSAL REQUIREMENTS

Format

To assure consistency, proposals must conform to the following format:

Cover Letter
Table of Contents
Sections

- A. Introduction
- B. Qualifications
- C. Other Information
- D. References

Section A – Introduction

This section should contain information about your firm’s experience and background. Include complete information regarding experience in this type of commercial service, number of years, number of employees, etc.

Section B – Qualifications

This section should contain qualifications of personnel. Please submit resumes of key personnel who will be assigned to this contract.

Section C – Other Information

This section should include the responses to the “core questionnaire” as well as the requested “sample documents” that are found starting on page 7.

This section should also address any other information necessary for a full understanding of your services. Please provide information on any additional services offered by your firm.

Section D – References

Please provide three (3) references of similar sized public sector sponsors that your firm has serviced for at least three years in the Chicagoland area. Include a contact name, title, phone number, and email address.

Oak Park Township’s Current 457 Plan

The Township currently offers one active 457 deferred compensation provider option for the Plan. Retirement Plan Advisors, LLC (RPA) is the third-party administrator for a plan with investment offerings from Security Benefit. As of September 30, 2009, \$248,752 was invested in the Plan. The Township will select one firm to provide these services. The contract will be for a period of five years with options for extensions.

The Township’s total FY 10 budget (April 1, 2009 to March 31, 2010) is \$5,910,343 with total budgeted salaries of \$2,073,419. As of November 20, 2009, the Township had 56 employees (31 full-time, 25 part-time). The current plan data are as follows:

SECURITY BENEFIT PLAN STATISTICS - AS OF SEPTEMBER 30, 2009

Total Assets	Total Participant Accounts	Total Active Accounts
\$248,752	19	8

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>YTD 2009</u>
BEGINNING ACCOUNT VALUE	\$ 262,864	\$ 259,723	\$ 277,878	\$ 207,567

CONTRIBUTIONS	23,475	14,970	13,590	10,080
DIVIDENDS	15,308	25,784	7,094	2,316
TRANSFERS IN	508,446	107,636	80,158	46,844
LOAN PAYMENTS	-	-	-	110
TOTAL CREDITS	547,230	148,390	100,842	59,350

DISTRIBUTIONS/WITHDRAWALS	45,563	12,535	15,606	523
FEES	1,188	638	452	429
TRANSFERS OUT	508,446	107,636	80,158	46,844
LOAN ISSUES	-	-	-	1,234
TOTAL DEBITS	555,198	120,810	96,216	49,030

INVESTMENT RESULTS	4,828	(9,425)	(74,937)	30,975
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ENDING ACCOUNT VALUE	259,723	277,878	207,567	248,862
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For information on Plan Values by Investment at 9/30/09, please see Attachment A.

Minimum Requirements

Proposing firms must meet the following requirements:

- On-site service representative of the vendor must have at least two years of experience providing on-site services for public sector retirement plans.
- Representatives will be absolutely forbidden to sell ancillary products (such as life insurance) to participants without the express written consent of Oak Park Township. Participant data is the sole property of Oak Park Township and may not be used in any way to market other products or be sold to other organizations without the express written consent of Oak Park Township.
- There may be no termination, withdrawal or transfer charges or restrictions (including market value adjustments) throughout the term of this contract except under limited circumstances based on accepted industry practices (e.g., charges for early withdrawal from fixed maturity or other structured investment products - such as CDs - which have a clearly defined investment period that if shortened would jeopardize the strategy and benefits to longer-term investors).
- The vendor must accept full responsibility for processing errors and any errors must be reported within a reasonable period of time. In the event a participant incurs a loss or a lost opportunity due to such an error, the vendor shall adjust the participant's account to the same level as if the processing error had not occurred.
- The vendor must comply with all components of this RFP. Unless otherwise noted in your cover letter, it is assumed that by submitting a response to this RFP, your response conforms to all specifications in every way.
- Attachments:
 - Please attach the following materials to your response:
 - Sample enrollment packet
 - Sample participant statement
 - Sample contract and/or service agreement
 - Sample of current investment options including any and all fees and 9/30/09 returns
 - Other samples that you feel may communicate your distinctive differences
 - A copy of your most recent annual report

Core Questionnaire

1. Organization
 - a. Provide the name of the proposing organization and its address, telephone and fax number, and website. Provide the same for your organization's contact for this proposal.
 - b. What has been the scope and length of your experience with public sector retirement plans? What portion of your company's total business is devoted to public sector retirement plans in terms of assets under management, number of plans, and number of participants?
 - c. How many public sector plans do you currently administer?
 - d. Provide resumes or biographies for the individuals that would service Oak Park Township.
2. Participant Services
 - a. Discuss how you will communicate plan changes to employees and to participants whom we no longer employ.
 - b. Describe the ongoing, on-site enrollment and educational program that you would propose to the Township.
 - c. Are your representatives salaried employees? Is their compensation affected in any way by participant investment or disbursement decisions?
 - d. What information will you need from Oak Park Township in order to perform your work?
 - e. Describe your Internet site and the options available to employees.
 - f. Can all participant transactions be done via the Internet?
3. Investment Line-up/Flexibility
 - a. Briefly describe how you monitor fund performance and how you determine when to delete a fund.
 - b. Do you provide "managed account" services that enable a participant to pay a fee for your firm or partner firm to provide discretionary management of investment decisions for that participant? (Yes/No) If yes, please explain. If you sub-contract with a third party managed vendor, how long have you worked with them?
 - c. Please provide the listing of all investment options being proposed (include a copy of the Morningstar summary sheet for each fund, if applicable). The Township is interested in access to a diversified portfolio including index and lifecycle funds.
4. Fees and Expenses (The Township considers fee transparency to be extremely important. Please answer the following questions concerning fees.)
 - a. Provide a detailed listing of all fees including but not limited to plan asset based fees, participant fees, fund expenses, ancillary service fees and any other fees and expenses.
 - b. Do you include fee and expense information in quarterly and annual statements to individual participants and to the Township?
 - c. Do you actively promote concepts that help reduce fees and expenses for participants without reducing quality of services?

5. Plan Sponsor Services/Recordkeeping and Administration
 - a. What ad-hoc reports are available to the plan sponsor?
 - b. Describe the Internet options available to the plan sponsor. Is there a separate plan sponsor Internet site?
 - c. What is your timeframe for posting deferrals to participant's accounts?
 - d. In what format may payroll information and contributions be delivered to you?
 - e. Please describe your recordkeeping services for 457 plans.
6. Transition
 - a. How will your firm handle the migration from the Township's current provider to your plan if the Township chooses to do so? Will any transition fees from the current provider be reimbursed? Will transition fees be charged by your organization? If so, what will the fees be?
 - b. Describe the participant enrollment and conversion program you would conduct between the time you are selected to serve the plan and the time assets are transferred to your firm including an estimated timeline.

**ATTACHMENT A:
PLAN VALUES BY INVESTMENT
OAK PARK TOWNSHIP'S
CURRENT 457 PLAN**

ABN AMRO Income Plus	\$43,700.28
AIM Mid Cap Core Equity	\$450.78
American Century Equity Income	\$53,864.08
American Century Heritage	\$1,110.41
American Century Ultra	\$170.60
Dreyfus Appreciation Fund	\$1,890.06
Dreyfus Midcap Value	\$86.82
Dreyfus Strategic Value	\$18,706.23
Fidelity Advisor Industrials	\$6,244.66
Fidelity Advisor Lev Co Stock	\$1,413.90
Fidelity Advisor Real Estate	\$1,075.75
Janus Overseas	\$9,788.30
Life Insurance Premiums	\$457.80
PIMCO Real Return	\$8,709.74
PIMCO Total Return	\$24,917.57
Participant Loan	\$1,104.92
RS Partners	\$4,326.85
Royce Value	\$4,063.22
Rydex SGI Global	\$12,973.57
Rydex SGI Mid Cap Value	\$269.70
Rydex SGI U.S. Interm Bond	\$1,535.61
Van Kampen Equity and Income	\$26,793.81
Wells Fargo Advtg Growth	\$25,097.39
TOTAL:	\$248,752.05