

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Policy Session Worksheet

Presentation Date: February 23, 2021 **Approx. Start Time:** 2:00 p.m.
Approx. Length: 30 Min

Presentation Title: RFP #2020-30 Deferred Compensation Record Keeper – Committee Recommendation for Contract Award

Department: Human Resources – Benefits & Wellness/Finance – Procurement

Presenters: Kristi Durham, Benefits Manager/Deferred Compensation Committee Chair;
Kim Randall, Procurement & Contract Analyst

Other Invitees: Brian Nava, County Treasurer/Deferred Compensation Committee Co-Chair; Billie Hurley, Human Resources Analyst

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Approve the Deferred Compensation Committee’s recommendation of Voya Retirement Insurance and Annuity Company, dba Voya Financial to provide record keeping services to the Clackamas County and the Housing Authority of Clackamas County Deferred Compensation 457(b) Retirement Plans. Thus allowing Clackamas County Procurement to proceed with awarding the contract and entering contract negotiations.

EXECUTIVE SUMMARY:

A Deferred Compensation 457(b) Plan record keeper provides services to plan participants and the plan sponsor in the areas of retirement investments, timely processing of enrollments and contributions, participant education (digital, print & in-person) and the administration of withdrawals, distributions, appeals and domestic relations orders.

The Board of County Commissioners is the primary fiduciary for the Deferred Compensation 457(b) Retirement Plan provided to eligible County employees. A function of this fiduciary responsibility includes providing plan participants with the best plan at the lowest possible price by choosing record keepers and investment consultants that meet those needs.

The last record keeper RFP was completed in 2008 and with VOYA’s current contract expiring on 4/30/2021 it was necessary from a fiduciary standpoint to see what had changed in the record keeper marketplace since then. Another benefit to this competitive process is the opportunity to reduce participant fees.

The Deferred Compensation Committee with the assistance of our investment consultant NW Capital Management and County Procurement carried out the RFP process.

A sub-committee consisting of four committee members evaluated the proposals submitted by vendors in response to RFP #2020-30. After all proposers submitted their Best and Final Offers regarding their fees, the sub-committee invited the top two scorers, VOYA and Prudential for interviews. Final sub-committee scores submitted after the interviews established VOYA at #1 with Prudential close behind at #2.

The sub-committee presented its findings to the rest of the Deferred Compensation Committee who unanimously voted in a public meeting to submit the recommendation to the Board of County Commissioners that VOYA Retirement Insurance and Annuity Company, dba VOYA Financial be awarded the contract.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? VOYA’s proposed fee is 11 basis points of Deferred Compensation plan assets, which means their compensation will fluctuate from market gains and losses.

Assuming an average \$25 million per year increase to Deferred Comp plan assets we estimate the cost over the duration of the 5 year contract to be as follows: FY 21-22 \$247,500; FY 22-23 \$275,000; FY 23-24 \$302,500; FY 24-25 \$330,000; FY 25-26 \$357,500.

What is the funding source? Fees collected from Deferred Compensation plan participants

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals?
 - Deferred Compensation plan participants will benefit from reduced fees and avoid the disruption to their current record keeping services that would result from a change in vendor.

- How does this item align with the County’s Performance Clackamas goals?
 - Build public trust through good government

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

N/A

OPTIONS:

1. **Approve** the Deferred Compensation Committee’s recommendation to award the contract for record keeping services for the Clackamas County and the Housing Authority of Clackamas County Deferred Compensation 457(b) Retirement Plans to VOYA Retirement Insurance and Annuity Company, dba VOYA Financial.

2. **Decline** the Deferred Compensation Committee’s recommendation to award the contract for record keeping services for the Clackamas County and the Housing Authority of Clackamas County Deferred Compensation 457(b) Retirement Plans to VOYA Retirement Insurance and Annuity Company, dba VOYA Financial.

RECOMMENDATION:

1. **Approve** the Deferred Compensation Committee’s recommendation to award the contract for record keeping services for the Clackamas County and the Housing Authority of Clackamas County Deferred Compensation 457(b) Retirement Plans to VOYA Retirement Insurance and Annuity Company, dba VOYA Financial.

ATTACHMENTS:

Copy of RFP #2020-30 Deferred Compensation Record Keeper – Committee Recommendation for Contract Award Letter

SUBMITTED BY:

Division Director/Head Approval _____
Department Director/Head Approval _____
County Administrator Approval _____

For information on this issue or copies of attachments, please contact Kristi Durham at KDurham@clackamas.us



George Marlton
County Procurement Officer

Procurement Division
Public Services Building
2051 Kaen Road, Oregon City, Or 97045

TO: Board of County Commissioners
FROM: Procurement – Kim Randall
RE: RFP #2020-30 Deferred Compensation Record Keeper – Committee Recommendation for Contract Award
DATE: January 19, 2021

The evaluation committee comprised of four individuals in a sub-committee of the Deferred Compensation Committee have evaluated the proposals received in response to RFP #2020-30 for Deferred Compensation Record Keeper. The County received a total of five proposals from Great West Life, dba Empower Retirement; International City Management Association Retirement Corporation, dba ICMA-RC; Lincoln Retirement Services Company LLC, dba Lincoln Financial Group; Voya Retirement Insurance and Annuity Company, dba Voya Financial; and Prudential Retirement Insurance and Annuity Company, dba Prudential Investment.

After initial reviews of the proposals, the sub-committee requested a Best and Final Offer (“BAFO”) process issued for the fee schedule. Proposers were required to respond by November 16th, 2020. Four of the five proposers responded timely, where Lincoln Retirement Services did not respond and was pulled from the final round of reviews.

The sub-committee provided initial scores from BAFO to narrow down the top two proposers for interviews. Two firms were selected to move forward with interviews and the final sub-committee scores were submitted and tallied.

The scores are as follows:

					Total	Avg	Rank
Great West Life-Empower	56	67	84	69	276	69	3
ICMA-RC	51	58	89	76	274	68.5	4
Prudential Investment	66	92	94	73	325	81.25	2
Voya	72	89	90	82	333	83.25	1

Based on the above results, the Committee makes the recommendation that **Voya Retirement Insurance and Annuity Company, dba Voya Financial** be awarded the contract to complete the project.

Approved: _____ Denied: _____

Chair

Recording Secretary

Date