

STATE OF MARYLAND

**Maryland Teachers & State Employees
Supplemental Retirement
Plans**

Request for Proposals

Employee Benefit Consulting and Other Services

Solicitation No. G50 – 05/2006 - Consult

Issue Date: January 20, 2006

NOTICE

Prospective Offerors who have received this document from the MSRP web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their name and mailing address so that amendments to the RFP or other communications can be sent to them.

**STATE OF MARYLAND
NOTICE TO OFFERORS**

In order to help us improve the quality of State proposal solicitations, and to make our procurement process more responsive and business friendly, we ask that you take a few minutes and provide comments and suggestions regarding the enclosed solicitation. Please return your comments with your proposals. If you have chosen not to bid on this contract, please fax this completed form to: 410-659-0349 to the attention of Richard Arthur.

Title: Employee Benefit Consulting and Other Services
Solicitation No: G50 – 05/2006 - Consult

1. If you have responded with a "no bid", please indicate the reason(s) below:

- Other commitments preclude our participation at this time.
- The subject of the solicitation is not something we ordinarily provide.
- We are inexperienced in the work/commodities required.
- Specifications are unclear, too restrictive, etc. (Explain in REMARKS section.)
- The scope of work is beyond our present capacity.
- Doing business with Maryland Government is simply too complicated.
(Explain in REMARKS section.)
- We cannot be competitive. (Explain in REMARKS section.)
- Time allotted for completion of the bid/proposals is insufficient.
- Start-up time is insufficient.
- Bonding/Insurance requirements are restrictive. (Explain in REMARKS section.)
- Proposals requirements (other than specifications) are unreasonable or too risky.
(Explain in REMARKS section.)
- MBE requirements. (Explain in REMARKS section.)
- Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory.
(Explain in REMARKS section.)
- Payment schedule too slow.
- Other: _____

2. If you have submitted a bid or proposal, but wish to offer suggestions or express concerns, please use the Remarks section below. (Use reverse or attach additional pages as needed.)

REMARKS:

Offeror Name: _____ Date _____

Contact Person: _____ Phone (____) ____ - _____

Address: _____

KEY INFORMATION SUMMARY SHEET

STATE OF MARYLAND

Request For Proposals

EMPLOYEE BENEFIT CONSULTING AND OTHER SERVICES

SOLICITATION NUMBER G50 – 05/2006 - Consult

RFP Issue Date: January 20, 2006

RFP Issuing Office: Maryland Supplemental Retirement Plans

Procurement Officer: Mr. Richard Arthur
Office Phone: 410-767-8740
Fax: 410-659-0349
e-mail: rarthur@msrp.state.md.us

Proposals are to be sent to: Maryland Supplemental Retirement Plans
6 Saint Paul Street, Suite 200
Baltimore, MD 21202-1608
Attention: Richard Arthur

Pre-Proposal Conference: Tuesday, February 7, 2006, 10:30 AM (Local Time)
MSRP Board Room
6 Saint Paul Street, Suite 200
Baltimore, MD 21202-1608
For directions: www.MSRP.state.md.us

Closing Date and Time: Tuesday, March 21, 2006, 2:00PM (Local Time)

NOTE

Prospective Offerors who have received this document from the Maryland Supplemental Retirement Plans web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their name and mailing address so that amendments to the RFP or other communications can be sent to them.

Table of Contents

SECTION 1 -- GENERAL INFORMATION	1
1.1 Summary Statement.....	1
1.2 Abbreviations and Definitions.....	1
1.3 Scope	1
1.4 Contract Type	2
1.5 Contract Duration	2
1.6 Procurement Officer	2
1.7 Pre-Proposal Conference	2
1.8 Use of "e-Maryland Marketplace"	3
1.9 Questions	3
1.10 Proposals Due (Closing) Date	3
1.11 Duration of Offer.....	4
1.12 Revisions to the RFP	4
1.13 Cancellations; Discussions	4
1.14 Oral Presentation	5
1.15 Incurred Expenses.....	5
1.16 Economy of Preparation	5
1.17 Protests/Disputes	5
1.18 Multiple or Alternative Proposals.....	5
1.19 Access to Public Records Act Notice	5
1.20 Offeror Responsibilities.....	6
1.21 Mandatory Contractual Terms	6
1.22 Proposal Affidavit.....	6
1.23 Contract Affidavit.....	6
1.24 Minority Business Enterprises	6
1.25 Arrearages.....	7
1.26 Procurement Method	7
1.27 Verification of Registration and Tax Payment	7
1.28 False Statements	7
1.29 Electronic Funds Transfers	8
SECTION 2 -- OFFEROR MINIMUM QUALIFICATIONS.....	9
2.1 Experience Required.....	9
2.2 Documentation of Experience	9
2.3 Quantitative Minimums	9
SECTION 3 -- SCOPE OF WORK.....	10
3.1 Background.....	10
3.2 Existing Advisors and Administrators.....	10
3.3 Description of Scope of Work	10
SECTION 4 -- PROPOSAL FORMAT	12
4.1 Two Part Submission.....	12
4.2 Proposals.....	12
4.3 Submission.....	12
4.4 Volume I -- Technical Proposal.....	12
4.5 Volume II -- Financial Proposal	14

SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE15

5.1 Evaluation Criteria..... 15
5.2 Technical Criteria 15
5.3 Financial Criteria 15
5.4 Reciprocal Preference..... 15
5.5 Selection Procedures..... 15

ATTACHMENTS Separate Files

ATTACHMENT A Contract (Procurement Attachments.doc)
ATTACHMENT B Bid/Proposal Affidavit..... (Procurement Attachments.doc)
ATTACHMENT C Contract Affidavit..... (Procurement Attachments.doc)
ATTACHMENT D Minority Business Enterprise Participation (Procurement Attachments.doc)
 ATTACHMENT D-1.....
 ATTACHMENT D-2.....
 ATTACHMENT D-3.....
 ATTACHMENT D-4.....
 ATTACHMENT D-5.....
 ATTACHMENT D-6.....
ATTACHMENT E COT/GAD X-10 EFT Registration Request Form..... (Procurement Attachments.doc)
ATTACHMENT F MSRP Audited Financial Statement excerpts 2004/2003 . (Program Attachments.doc)
ATTACHMENT G MSRP Investment Policy..... (Program Attachments.doc)
ATTACHMENT H Third Quarter 2005 Investment Performance Report (Program Attachments.doc)

SECTION 1 - GENERAL INFORMATION

1.1 Summary Statement

The purpose of this Request for Proposals (RFP) is to procure, through competitive sealed proposals, general employee benefit and pension consulting and investment advisory services to the Board of Trustees, especially as related to the supplemental retirement plans under their authority and supervision: the 457(b) plan; the 401(k) savings and investment plan; the 403(b) tax-sheltered annuity plan; and the 401(a) match plan. Quarterly investment performance reports are to be completed within 45 days of quarter end. This arrangement requires attendance at all Board meetings and Investment Committee meetings, preparation and coordination of annual Board planning meetings, research and advice for four investment searches per year, and assistance with participant communications. Finally, this advisor will be required to deliver a biennial report of in-depth evaluation of investment options.

1.2 Abbreviations and Definitions

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:

- d. **Board** - means the Maryland Teachers & State Employees Supplemental Retirement Plans Board of Trustees.
- e. **Fiscal Year** – means the typical Maryland State Government budget cycle of 12 months beginning July 1 and ending the following June 30.
- f. **Local Time** - means Eastern Time as observed in the State of Maryland.
- g. **MBE** - means a Minority Business Enterprise that is certified as such by the Maryland Department of Transportation.
- h. **Participant** - means all eligible individuals who are enrolled in the plan.
- i. **Plan Year** – means the 12-month period beginning January 1 and ending December 31 of the calendar year.
- j. **RFP** - means this Request for Proposals for general employee benefit and pension consulting and investment advisory services.
- k. **State** – means the State of Maryland.
- l. **Subcontractor** - means an organization or entity that the Offeror plans to utilize for the purposes of services covered under this contract.

1.3 Scope

The Board is soliciting proposals for one vendor to provide Investment Advisory and General Consulting services as described in the RFP. The Board's contract with the current consultant expires on April 17, 2006. The vendor who is awarded the contract pursuant to this RFP will be required to meet promptly with the Board Investment Committee to adapt investment policies and a work plan, and to provide investment performance evaluations for the quarter ended March

30, 2006, to be delivered in advance of a presentation at the full Board's regularly scheduled meeting on or about May 22, 2006.

1.4 Contract Type

The contract that results from this RFP shall be a firm fixed price contract for each year of the original contract and each year of the renewal period. There is no requirement that the price for each year be the same. The full five-year price will be used in the award decision.

1.5 Contract Duration

The services provided under the contract resulting from this RFP shall be for an initial period of three (3) years beginning upon award of the contract (approximately April 2006). The contract will also contain an option to renew, upon the same terms and conditions with pricing as specified in section 4.5 below, for an additional two years. Exercise of the renewal option will be solely at the discretion of the Board.

1.6 Procurement Officer

The sole point of contact at the State for purposes of this RFP, prior to the award of any contract, is the Procurement Officer at the address listed below:

Richard Arthur, Procurement Officer
Maryland Supplemental Retirement Plans
6 Saint Paul Street, Suite 200
Baltimore, Maryland 21202
Telephone #: 410 - 767 - 8740
E-mail: rarthur@msrp.state.md.us

1.7 Pre-Proposal Conference

A Pre-Proposal Conference will be held on Tuesday, February 7, 2006, beginning at 10:30AM at the Board's offices in Baltimore—William Donald Schaefer Tower, Suite 200, 6 Saint Paul Street, Baltimore, Maryland 21202. Attendance at the Pre-Proposal Conference is not mandatory, but all interested Offerors are encouraged to attend in order to facilitate better preparation of their proposals. In addition, attendance may facilitate the Offeror's understanding and ability to meet the State's Minority Business Enterprise (MBE) goals. If you plan to attend, please advise the Procurement Officer by email one week in advance of your company's name and the names of attendees.

Minutes of the conference will be distributed, free of charge, to all prospective Offerors known to have received a copy of this RFP. Both written and oral questions will be considered at the pre-proposal conference.

If there is a need for sign language interpretation and/or other special accommodations due to a disability, it is requested that at least five days advance notice be provided. MSRP will make reasonable efforts to provide such special accommodation.

1.8 Use of “eMaryland Marketplace”

“eMaryland Marketplace” is an electronic commerce system administered by the Maryland Department of General Services. We use the MSRP web site (<http://www.msrp.state.md.us>), U.S. mail, E-mail and other means for transmitting the RFP, notices and associated materials. We also use eMaryland Marketplace to provide the solicitation and minutes of the pre-bid/proposal conference, Offeror questions and MSRP responses, addenda, and other solicitation related information.

This means that all such information is immediately available to organizations who subscribe to eMaryland Marketplace. Because of the instant access afforded by eMaryland Marketplace, it is recommended that all Offerors interested in doing business with Maryland State agencies subscribe to eMaryland Marketplace. The successful Offeror must register with eMaryland Marketplace prior to contract award.

COMAR 21.02.03.06 requires that the successful Offeror under this solicitation pay a fee to support the operation of eMaryland Marketplace. A copy of COMAR 21.02.03.06 can be found on the eMaryland Marketplace website at www.eMarylandMarketplace.com. The fee amount must be included within the rate or price of the proposal and may not be quoted as a separate add-on price.

In order to receive a contract award, a vendor must be registered on eMaryland Marketplace. Contractors shall pay the fee as provided by COMAR 21.02.03.06 and in accordance with guidelines issued by the Maryland Department of General Services. These guidelines can be found on the eMaryland Marketplace website at www.eMarylandMarketplace.com.

1.9 Questions

The Procurement Officer will accept written questions from prospective Offerors prior to the pre-proposal conference. If possible and appropriate, such questions will be answered at the pre-proposal conference. (No substantive question will be answered prior to the pre-proposal conference.) Questions may be submitted by mail, or preferably, by e-mail to the Procurement Officer. Questions, both oral and written, will also be accepted from prospective Offerors attending the Pre-Proposal Conference. If possible and appropriate, these questions will be answered at the Pre-Proposal Conference.

Questions will also be accepted subsequent to the Pre-Proposal Conference. All post-conference questions should be submitted in a timely manner to the Procurement Officer only. The Procurement Officer shall, based on the availability of time to research and communicate an answer, decide whether an answer can be given before the proposal due date. Answers to all substantive questions that have not previously been answered, and are not clearly specific only to the requestor, will be distributed to all vendors who are known to have received a copy of the RFP.

1.10 Proposals Due (Closing) Date

An unbound original and **ten (10)** bound copies of each proposal (technical and financial) must be received by the Procurement Officer, at the address listed in Section 1.6, no later than

2:00 PM (local time) on **Tuesday, March 21, 2006** in order to be considered. An electronic copy on CD-ROM of the Technical Proposal ONLY (in MS Word and MS Excel format, as appropriate) must be enclosed with the original technical proposal. An electronic version of the Financial Proposal is not necessary. Ensure that the compact disc is labeled with the RFP title, RFP number, and Offeror name, and packaged with the original copy of the Technical Proposal. No information from the Financial Proposal should be included in either the paper or electronic version of the Technical Proposal.

Requests for extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.03.02F, proposals received by the Procurement Officer after the due date, **Tuesday, March 21, 2006, 2:00PM** (local time) will not be considered. Proposals may not be submitted by e-mail or facsimile.

1.11 Duration of Offer

Proposals submitted in response to this RFP are irrevocable for 120 days following the closing date of proposals. This period may be extended at the Procurement Officer's request only with the Offeror's written agreement.

1.12 Revisions to the RFP

If it becomes necessary to revise this RFP before the due date for proposals, amendments will be posted on the MSRP website and e-Maryland marketplace, and provided to all prospective Offerors who were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. Amendments made after the due date for proposals will be sent only to those Offerors who submitted a timely proposal.

Acknowledgment of the receipt of all amendments to this RFP issued before the proposal due date must accompany the Offeror's proposal in the Transmittal Letter accompanying the Technical Proposal submittal. Acknowledgement of the receipt of amendments to the RFP issued after the proposal due date shall be in the manner specified in the amendment notice. Failure to acknowledge receipt of amendments does not relieve the Offeror from complying with all terms of any such amendment.

1.13 Cancellations; Discussions

The State reserves the right to cancel this RFP, accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State of Maryland. The State also reserves the right, in its sole discretion, to award a contract based upon the written proposals received without prior discussions or negotiations.

1.14 Oral Presentation

Offerors may be required to make oral presentations to Board representatives. Significant representations made by an Offeror during the oral presentation must be reduced to writing. All such representations will become part of the Offeror's proposal and are binding if the contract is awarded. The Procurement Officer will notify Offerors of the time and place of oral presentations. Typically, oral presentations occur approximately three to five weeks after the proposal due date.

1.15 Incurred Expenses

The State will not be responsible for any costs incurred by an Offeror in preparing and submitting a proposal, in making an oral presentation, in providing a demonstration, or in performing any other activities relative to this solicitation.

1.16 Economy of Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of the Offeror's proposal to meet the requirements of this RFP.

1.17 Protests/Disputes

Any protest or dispute related respectively to this solicitation or the resulting contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

1.18 Multiple or Alternative Proposals

Neither multiple nor alternate proposals will be accepted.

1.19 Access to Public Records Act Notice

An Offeror should give specific attention to the clear identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, Title 10, Subtitle 6, of the State Government Article of the Annotated Code of Maryland. (See Section 4.4.2.1)

Information, which is claimed to be confidential, is to be placed after the Title Page and before the Table of Contents in the Offeror's Technical Proposal, and if applicable, also in the Financial Proposal. Offerors are advised that, upon request for this information from a third party, the State will make an independent determination whether the information can be disclosed (see COMAR 21.05.08.01).

1.20 Offeror Responsibilities

The selected Offeror shall be responsible for all products and services required by this RFP. Subcontractors must be identified, and a complete description of their roles relative to the proposals must be included in the Proposal. The selected Offeror retains the responsibility for all work performed by and any deliverable submitted by a subcontractor. If an Offeror that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Offeror such as, but not limited to, references and financial reports, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror's proposal must contain an explicit statement that the parent organization will guarantee the performance of the subsidiary. Additional information regarding MBE subcontractors is provided in paragraph 1.24 below, Section 4.4.5, and Exhibit D.

1.21 Mandatory Contractual Terms

By submitting an offer in response to this RFP, an Offeror, if selected for award, shall be deemed to have accepted the terms of this RFP and the Contract, attached as **Attachment A**. Any exceptions to this RFP or the Contract must be clearly identified in the Executive Summary of the technical proposal. A proposal that takes exception to these terms may be rejected. (See Section 4.4.2.2)

1.22 Proposal Affidavit

A proposal submitted by an Offeror must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as **Attachment B** of this RFP.

1.23 Contract Affidavit

All Offerors are advised that if a contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as **Attachment C** of this RFP. This Affidavit must be provided with the signed contract after notification of proposed contract award.

1.24 Minority Business Enterprises

A minority business enterprise subcontractor participation goal of five percent (5%) has been established for this procurement. The contractor shall structure its awards of subcontracts under the contract in a good faith effort to achieve the goals in such subcontract awards by businesses certified by the State of Maryland as minority owned and controlled. MBE requirements are specified in **Attachment D** of this RFP. Subcontractors used to meet the minority business enterprise goal of this RFP must be identified in the Offeror's proposal.

Questions or concerns regarding the MBE requirements of this solicitation must be raised before the opening of bids or receipt of initial proposals.

Attachments D-1 and D-2 **must** be submitted with each Offeror's proposal. Failure to submit these completed attachments **will** eliminate an Offeror from further consideration.

A current directory of MBEs is available through the Maryland State Department of Transportation, Office of Minority Business Enterprise, P.O. Box 8755, B.W.I. Thurgood Marshall Airport, Maryland 21240-0755. The phone number is 410-865-1244. The directory is also available at <http://www.mdot.state.md.us>. Select the MBE Program label. The most current and up-to-date information on MBEs is available via the web site.

1.25 Arrearages

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State of Maryland, including the payment of taxes and employee benefits, and that it shall not become in arrears during the term of the contract if selected for contract award.

1.26 Procurement Method

This contract will be awarded in accordance with the competitive sealed proposals process under COMAR 21.05.03.

1.27 Verification of Registration and Tax Payment

Before a corporation can do business in the State of Maryland it must be registered with the Department of Assessments and Taxation, State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. It is strongly recommended that any potential Offeror complete registration prior to the due date for receipt of proposals. An Offeror's failure to complete registration with the Department of Assessments and Taxation may disqualify an otherwise successful Offeror from final consideration and recommendation for contract award.

1.28 False Statements

Offerors are advised that section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

- (a) In connection with a procurement contract a person may not willfully:
 - (1) falsify, conceal, or suppress a material fact by any scheme or device;
 - (2) make a false or fraudulent statement or representation of a material fact; or
 - (3) use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
- (b) A person may not aid or conspire with another person to commit an act listed under subsection (a) of this section.
- (c) A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding 5 years or both.

1.29 Electronic Funds Transfers

By submitting a response to this solicitation, the Offeror agrees to accept payments by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Offeror shall register using the ATTACHMENT E: COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form. Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption.

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SECTION 2 – OFFEROR MINIMUM QUALIFICATIONS

2.1 Experience Required

Offerors must have substantial experience in performing said services in the public and private environment for large pension plans, preferably contributory plans. Substantial experience will be defined and evaluated with regards to the type of plan [457(b), 401(k), 401(a) and 403(b)], size of the plan [assets and number of participants in the plan] and public or private plan experience.

2.2 Documentation of Experience

Offerors are required to provide a listing of such engagements over the past five years which includes data on plan type, size, number of participants covered and other pertinent data such as number of investment options, number of participants on payout and frequency of asset transfers permitted. Offerors should also document their research capabilities to provide the level of services requested.

2.3 Quantitative Minimums

The minimum mandatory experience required shall consist of comparable assignments with at least two plans of the types indicated above and each engagement must have involved plans with assets of not less than fifty million dollars.

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SECTION 3 – SCOPE OF WORK

3.1 Background

The Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans (the "Board") is an independent Agency created under Title 35 of the State Personnel and Pensions Article of the Maryland Code. The Board has general oversight authority and responsibility for certain tax-favored defined contribution plans for State employees: the 457(b) Plan; the 401(k) plan; the 403(b) plan; and the 401(a) match plan. Recent financial statements of each plan are attached as Exhibit A, and the Plans are generally described below.

The Board has appointed an executive director and a staff of fifteen employees. The Board does not directly administer the plans. Its executive director and staff conduct general supervisory activities of administrators, advisors or accountants that are hired, and conduct general educational efforts for State employees concerning the benefits of plan participation.

3.2. Existing Advisors and Administrators

The Board has a contract with Segal Advisors/The Segal Company (Segal) for general pension consulting and investment advisory services. Segal has performed such services for the Board since 2001, and predecessor firms since mid 1985.

The Board also has an ongoing agreement with ING Life and Annuity Company (ING) for stable value investment management services for its Investment Contract Pool (ICP). Services relating to the Investment Contract Pool are not sought as part of this RFP.

General record keeping, overall administration and preparation of both participant and plan financial statements are the primary responsibility of Nationwide Retirement Solutions, Inc. (NRS) the plan administrator. NRS is a division of Nationwide Financial, and is headquartered in Columbus, Ohio with regional offices around the country, including an office in Timonium, Maryland. NRS's contract expires December 31, 2007.

Lastly, the Board has a contract with Clifton Gunderson, LLP to audit and issue opinions on the financial statements of the supplemental retirement plans.

3.3 Description of Scope of Work

The purpose of this RFP is to procure, through competitive sealed proposals, general employee benefit and pension consulting services and investment advisory services to the Board, especially as related to the supplemental retirement plans under the Board's authority and supervision: the 457(b) plan; the 401(k) plan; the 403(b) tax-sheltered annuity plan; and the 401(a) match plan. The advisor consultant must document an approved investment policy and deliver quarterly investment performance reports. Requires attendance at all Board meetings and Investment Committee meetings, includes 4 new investment searches per year, and assistance with participant communications. Finally, requires a biennial report of in-depth evaluation of investment options. Excerpts of the audited financial statements for 2003 and 2004 are attached as **Attachment F**. Access to Titles 32 & 35 of the State Personnel & Pensions Article of the Laws of Maryland is provided on the Maryland General Assembly website (<http://mlis.state.md.us>).

3.3.1 General Consulting

General ongoing professional, consulting and technical services as may from time to time be needed during Plan operations, including: (a) provide industry related analysis of current events with potential impact on the plans; (b) perform research and provide recommendations and evaluation of new investment vehicles, options and strategies; (c) conduct ongoing general review of Plan administration so as to be able to advise the Board on a continual basis of the general stability of its arrangements and the performance thereof as compared to the standards of the trade; (d) comment and drafting assistance for participant communication materials; (e) comment and drafting assistance on such plan amendments or request for determination letters/rulings as may from time to time be necessary or appropriate; (f) recommendations on tax, securities and other regulatory requirements necessary for the Plans to continue their tax favored status; and (g) provide analysis and opinion of financial institutions over and above standard rating services [such as Moody's, Standard & Poors, etc.]. Consulting and technical services enumerated above are to be provided on an as needed basis. Attendance at all Board meetings and Investment Committee meetings is required.

3.3.2 Investment Policy

Investment policy composed and maintained to reflect the applied criteria for the categorization, selection and de-selection of mutual funds and/or other applicable investment options, services and products (see **Attachment G**).

3.3.3 Investment Performance

Quarterly reports of the investment performance of the Plan's fixed, mutual fund and money market options--to include any additional options--are to be completed within 45 days of quarter end. These reports must be at least equivalent in scope to the report excerpts attached as **Attachment H**, or must be other periodic analytical reports of performance that would provide a substantially similar service.

3.3.4 Biennial Review of Investment Options

Biennial report including an in-depth evaluation of approved investment options and products, as well as possible candidates for addition, removal, or substitution in the plans.

3.3.5 Consulting Commitment of Sufficient Resources

General consulting hours are expected to range approximately 100 hours per year. This is guidance to the Offeror, not a threshold or limit to cap professional assistance. The offered multiyear agreement requires the Offeror to commit appropriate expertise for the necessary time to complete the assignment. Support to the Board's annual planning conference in preparations, moderating as necessary and summarizing results must be included.

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SECTION 4 – PROPOSAL FORMAT

4.1 Two Part Submission

Offerors must submit proposals in two volumes:

- “Volume I – (TECHNICAL PROPOSAL)”
- “Volume II – (FINANCIAL PROPOSAL)” **must be sealed separate from Volume I**

4.2 Proposals

Volume II-Financial Proposal must be **sealed separately** from Volume I-Technical Proposal material but submitted simultaneously to the Procurement Officer (address listed on Key Information Summary and in Section 1.6). This is the only address to which proposals may be submitted. An unbound original, so identified, and **ten (10)** bound copies of Volume I-Technical Proposal, and a marked original and **ten (10)** copies of Volume II-Financial Proposal are to be submitted. Hard copies must be a complete proposal containing all information contained on the CD-ROM. Offerors must attach to the original Technical Proposal one (1) CD-ROM containing an electronic version of Volume I- Technical Proposal (in MS Excel format and MSWord, as appropriate). No CD-ROM will be necessary for the Volume II- Financial Proposal.

4.3 Submission

Each sealed proposal package must bear the RFP title and number, name and address of the Offeror, and the closing date and time for receipt of the proposals on the outside of the package. Please label the electronic media with Volume I-Technical Proposal, as appropriate. Each Offeror is required to submit a separate sealed package for Volume II, which must be labeled “Volume II-Financial Proposal”, but may be packaged with the Volume I-Technical Proposal material.

All pages of both proposal volumes must be consecutively numbered from beginning (Page 1) to end (Page “x”).

4.4 Volume I – Technical Proposal

4.4.1 Transmittal Letter

A transmittal letter must accompany the technical proposal. The purpose of this letter is to transmit the proposal and acknowledge the receipt of any addenda. The transmittal letter should be brief and signed by an individual who is authorized to commit the Offeror to the services and requirements as stated in this RFP.

4.4.2 Format of Technical Proposal

Technical proposals must bear the name and address of the Offeror, the name and number of the RFP and the closing date for proposals and must include an unbound original, to be so labeled, **ten (10)** copies, and one (1) electronic copy (in MSWord and MS Excel format, as appropriate) on a CD-ROM labeled as described in Section 4.2. The technical proposal shall include:

4.4.2.1 Title and Table of Contents

The technical proposal should begin with a title page bearing the name and address of the Offeror, the Offeror's contact names with telephone numbers and E-mail addresses, and the name and number of this RFP. This should be followed by a table of contents for the technical proposal. Information which is claimed to be confidential is to be identified and explained after the Title Page and before the Table of Contents in the Offeror's Technical Proposal, and if applicable, also in its Financial Proposal.

4.4.2.2 Executive Summary

The Offeror shall condense and highlight the contents of the technical proposal in a separate section titled "Executive Summary" including how the Offeror meets the minimum qualification outlined in Section 2.1. The summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, the contract (**Attachment A**), or any other attachments. Offeror shall include a signed Bid/Proposal Affidavit (**Attachment B**).

WARNING: Exceptions to terms and conditions of the RFP, the contract, or any other attachment may result in having the proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.

4.4.2.3 Understanding the Requirements

Offeror's proposal must present a detailed explanation how the proposed services will satisfy the requirements of the RFP, and answering the specific issues and concerns listed above in section **3.3 Description of Scope of Work**.

4.4.3 Financial Capability and Statements

The Offeror should provide evidence that the Offeror has the financial capacity to provide the services by providing copies of the last two (2) year end financial statements (independently audited preferred). The financial statements must be for the entity proposing to provide services under this contract and not for any prospective owners or parent companies not directly involved in the provision of services.

4.4.4 Economic Benefit Factors

1) The Offeror shall describe the benefits that will accrue to the State of Maryland economy as a direct or indirect result of the Offeror's performance of the contract resulting from this RFP. The Offeror will take into consideration the following elements. (**Do not include any detail of the financial proposal with this technical information**):

- a. The estimated percentage of contract dollars to be recycled into Maryland's economy in support of the contract, through the use of Maryland subcontractors, suppliers and joint venture partners. Offerors should be as

specific as possible and provide a percentage breakdown of expenditures in this category.

- b. The estimated number and types of jobs for Maryland residents resulting from this contract. Indicate job classifications, number of employees in each classification, and the aggregate Maryland payroll percentages to which the contract has committed at both prime and, if applicable, subcontract levels.
- c. Tax revenues to be generated for Maryland and its political subdivisions as a result of this contract. Indicate tax category (sales tax, inventory taxes and estimated personal income taxes for new employees). Provide a forecast of the total tax revenues resulting from the contract.
- d. The estimated percentage of subcontract dollars committed to Maryland small businesses and MBEs.

2) In addition to the factors listed above, the Offeror should explain any other economic benefit to the State of Maryland that would result from the Offeror’s proposal.

4.4.5 Subcontractors

Offerors must identify all subcontractors, including MBE subcontractors, and the role these subcontractors will have in the performance of the contract.

Offerors must submit completed and fully executed attachments D-1 and D-2 with their technical proposals.

4.5 Volume II - Financial Proposal

Under separate sealed cover from the Technical Proposal and clearly identified with the same information noted on the Technical Proposal, the Contractor must submit an original and **ten (10)** copies in a separate envelope labeled as described in Section 4.2, of the Financial Proposal. The Financial Proposal must contain all cost information in the following format:

<u>Contract years ending in</u>	<u>Price (to be billed and paid quarterly)</u>
2007	\$
2008	\$
2009	\$
Renewal years	
2010	\$
2011	\$
Five-Year Total	\$

One quarter of the annual price will be billed quarterly on the last day of the quarter (March 31, June 30, September 30 and December 31).

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SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE

5.1 Evaluation Criteria

Evaluation of the proposals will be performed by a committee organized for that purpose. Evaluations will be based on the criteria set forth below.

5.2 Technical Criteria

The criteria to be applied to each technical proposal are listed in descending order of importance:

1. Sufficient depth and expertise of resources to reliably deliver required services.
2. Experience in offering like services to similar plans, including the responses of clients served.
3. Depth and breadth of experience elsewhere as assigned advisor to sponsors of defined contribution plans and specifically 457(b), 401(k), 401(a) and 403(b) programs.
4. Experience of relevant personnel as identified in the proposal.
5. Maryland Economic Impact.

5.3 Financial Criteria

All qualified Offerors will be ranked from the lowest to the highest five-year cost.

5.4 Reciprocal Preference

Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. Therefore, as described in COMAR 21.05.01.04, a resident business preference will be given if: a responsible Offeror whose headquarters, principal base of operations, or principal site that will primarily provide the services required under this RFP is in another state submits the most advantageous offer; the other state gives a preference to its residents through law, policy, or practice; and, the preference does not conflict with a Federal law or grant affecting the procurement contract.

The preference given shall be identical to the preference that the other state, through law, policy or practice gives to its residents.

5.5 Selection Procedures

5.5.1 General Selection Process

The contract will be awarded in accordance with the competitive sealed proposals process under Code of Maryland Regulations 21.05.03. The competitive sealed proposals method is based on discussions and revision of proposals during these discussions.

Accordingly, the State may hold discussions with all Offerors judged reasonably susceptible of being selected for award, or potentially so. However, the State also reserves the right to make an award without holding discussions. In either case of holding discussions or not doing so, the State may determine an Offeror to be not responsible and/or an Offeror's proposal to be not reasonably susceptible of being selected for award, at any time after the initial closing date for receipt of proposals and the review of those proposals. If the State finds an Offeror to be not responsible and/or an Offeror's technical proposal to be not reasonably susceptible of being selected for award, an Offeror's financial proposal will be returned unopened.

5.5.2 Selection Process Sequence

- 1) The first step in the process will be to assess compliance with the Offeror Minimum Qualification set forth in Section 2 of the RFP. Offerors who fail to meet this basic requirement will be disqualified and their proposals eliminated from further consideration.
- 2) The next level of review will be an evaluation for technical merit. During this review oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State's requirements and the Offeror's ability to perform, and to facilitate arrival at a contract that will be most advantageous to the State. For scheduling purposes, Offerors should be prepared to make an oral presentation and participate in discussions within two to four weeks of the delivery of proposals to the State. The Procurement Officer will contact Offerors when the schedule is set by the State.
- 3) Offerors must confirm in writing any substantive oral clarification of, or change in, their proposals made in the course of discussions. Any such written clarification or change then becomes part of the Offeror's proposal.
- 4) The financial proposal of each qualified Offeror will be evaluated separately from the technical evaluation. After a review of the financial proposals of qualified Offerors, the Procurement Officer may again conduct discussions.

5.5.3 Award Determination

Upon completion of all discussions and negotiations, reference checks, and site visits, if any, the Procurement Officer will recommend award of the contract to the responsible Offeror(s) whose proposal is determined to be the most advantageous to the State considering technical evaluation factors and price factors as set forth in this RFP. In making the most advantageous Offeror determination, technical factors will be given greater weight than price factors.

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