



MEMO TO : Scott Niehaus
Village Manager

FROM : Kathleen Dunne
Human Resources Administrator

DATE : October 27, 2015

SUBJECT : RFP Proposal for 457 plans

The Village of Lombard invited vendors who possessed the capability and expertise to provide section 457 plan options, advice, education and reporting for the Village, to submit proposals for the provision of those services according to the requirements set forth in the RFP. The services will be performed for the Village, on a contractual basis for three (3) years, with an option to renew for an additional three (3) year period. Fees specified in this proposal will remain fixed for the duration of the initial three (3) year contract period. The purpose is to identify the vendor(s) that can offer the highest quality service at the lowest cost.

The request for proposals was sent to five (5) vendors; ICMA-RC, Nationwide, Wadell & Reed, PenServ Plan Services, Inc. and Fidelity Investments. Three (3) vendors sent back proposals for our review; ICMA-RC; Nationwide and Wadell & Reed.

Vendors were asked to provide responses to the below services:

- a. Employees will have the option to enroll, select investment options and make changes in their investment selections and amounts via a secured online system available through the internet.
- b. Employees will have the option to select investment options and amounts via a secured online system available through the internet.
- c. Employees will have the option to makes changes in their investment selections and amounts via a secured online system available through the internet.
- d. Employees will also have the ability to do all of the transactions listed in 2.a. above via paper.
- e. Employees will also have the ability to do all of the transactions listed in 2.b. above via paper.

- f. Employees will also have the ability to do all of the transactions listed in 2.c. above via paper.
- g. Payroll Activity can be reported via secured online system available through the internet by authorized Village personnel.
- h. Payroll Activity can be viewed on demand via secured online system available through the internet by authorized Village personnel.
- i. Investment performance reporting can be viewed on demand via secured online system available through the internet by authorized Village personnel.
- j. Employee's individual 457 portfolios with your company can be viewed on demand via secured online system available through the internet by authorized Village personnel.
- k. Paper reporting will be available to employees, but they can opt out of paper in favor of an electronic notice (via email) of report being available through secured online system.

Staff reviewed the proposals and recommends keeping the two existing 457 plans (ICMA-RC and Nationwide). There are approximately 150 employees actively participating when combining both plans, with approximately 250 employees eligible to participate. There have not been any complaints from employees regarding the two existing 457 plans offered. Our two existing plans offer a loan option and currently there are 15 employees who have outstanding loans.

Waddell & Reed offers a personal approach by getting to know their clients by building personalized plans supported by highly competitive investment products. However, they do not provide the services requested in the RFP for items A. through F. Waddell & Reed does not offer a loan option.

If recommended by the Finance and Administration Committee and approved by the Board of Trustees, the new plan with Waddell & Reed will be introduced to employees in 2016.

The Village staff recommends that the Finance and Administration Committee support adding the Waddell & Reed plan to the two existing 457 plans.

Feel free to contact me if you have any questions.