

SCOPE OF SERVICES

REQUEST FOR PROPOSAL (RFP)

TRE20101 INVESTMENT ADVISORY AND CONSULTING SERVICES

The Plans Management Board (Board) is seeking an individual or firm to serve as an independent consultant in a 321-fiduciary capacity.

Core Services:

- A. Serve as the State's expert on public sector Deferred Compensation Plans [457(b), 401(a) and 403(b)] and offer recommendations regarding investment option(s) and underlying investments to position the State of Delaware as providing "best in class" options for Deferred Compensation Plans to qualified employees. Provide regular updates of economic, regulatory and market conditions that could impact the plans.
- B. Serve as the State's expert on the national college savings landscape and offer recommendations regarding investment option(s) and underlying investments to position Delaware's College Investment Plan [529] as a "best in class" state-sponsored college savings program. Provide regular updates of economic, regulatory and market conditions that could impact 529 plan program and investments.
- C. Provide recommendations concerning long-term investment policy, objectives, statements and strategy for Delaware's Deferred Compensation Plans [457(b), 401(a) and 403(b)] and Delaware College Savings Plan [529]. Provide suggestions as to the appropriate benchmarks for the various asset classes and an evaluation of the asset allocations for the various plans' target-date glide paths.
- D. Monitor investment performance for Delaware's Deferred Compensation Plans [457(b), 401(a) and 403(b)] and Delaware College Savings Plan [529] for all plan portfolios and the underlying funds. Provide a quarterly written evaluation of the performance of portfolios and underlying funds including attribution of such performance against benchmarks. Present evaluation quarterly to the Investment Committee.
- E. Provide a relative strength and weakness analysis of all plan (Delaware's Deferred Compensation Plans [457(b), 401(a) and 403(b)] and Delaware College Savings Plan [529]) investment options against other similar program investment options on at least a quarterly basis as requested including investment and asset trends, underlying fees, and universe evaluations. Present evaluation quarterly to the Investment Committee.
- F. Present findings and recommendations at Board meetings as requested. Work with the staffs of the Office of the State Treasurer (OST) and the Investment Committee, and Audit and Governance Committee and the Board as needed.
- G. Assist in drafting, issuing and evaluating RFPs for all record keepers and investment managers if requested. Act as an independent reviewer on evaluation metrics as part of the RFP process in conjunction with OST staff for the purpose of selecting a record keeper.
- H. Assist in drafting or updating Investment Policy Statements (IPS) as needed for Delaware's Deferred Compensation Plans [457(b), 401(a) and 403(b)] and Delaware College Savings Plan [529].

- I. Assist the Investment Committee in monitoring and, when appropriate, offer recommendations to the Board for changes to investments including investment philosophy and investment options including underlying funds, asset allocations and glide paths for target-date funds.
- J. Work with the staff of the OST, the Investment Committee, Audit and Governance Committee and the Board to recommend a course of action to improve the "Plans" [Deferred Compensation Plans [457(b), 401(a) and 403(b)] and the Delaware College Savings Plan [529]] from both the administration and participant viewpoint. Including the selection of a plan record keeper(s)/custodians, investment management services and plan investment selections, participant education and ongoing monitoring and evaluation of investment choices, active communication and education to the employees and perform a fee and product analysis for all legacy 403(b) vendors. (attachment# in appendix).
- K. Confirm investments in the lineup are consistent with the IPS for each of the "Plans". Identify risks that may be present in the current investment menu, together with opportunities for the State of Delaware to exploit underutilized services offered by the current vendor in the Deferred Compensation Plans as well as the Delaware College Savings Plan.
- L. Provide research on special investment topics as requested by the Committees or the Board and consult via telephone/e-mail between meetings as needed.
- M. Provide access to secure "vault" for key document file transfer and retention.
- N. Attend all Committee and Board meetings, telephonically or in person, if and as requested by OST.
- O. The fee for such core services shall be billed monthly in arrears. Consultants shall submit to OST invoices for core services.

Optional Services:

- A. Assist with and/or undertake such other 529(a) services as are requested by the Board and/or OST, Audit and Governance Committee, and Investment Committee. Compensation for the requested 529(a) optional services will be based on an hourly rate agreed upon by the OST and Consultants. The fee for such optional services shall be billed monthly in arrears. Consultants shall submit to OST separate invoices for core and optional services.