

**STATE OF OREGON
OFFICE OF THE STATE TREASURER
350 WINTER STREET NE, SUITE 100
SALEM, OREGON 97301-3896**

QUESTIONS AND ANSWERS #1

**Issued: January 11, 2016
to
REQUEST FOR PROPOSALS #170-1051-16
FOR
Oregon Retirement Savings Plan
Market Analysis, Program Design, and
Financial Feasibility Services**

The following is a list of questions received on this RFP and answers provided by the Office of the State Treasurer (Treasury). The RFP is not modified by the answers unless an official Addendum is issued by Treasury.

General

Question 1: How many in-person meetings is the contractor expected to attend?

Answer 1: Contractor will be expected to meet with Treasury staff and the Board at the outset of the project, on an update basis as the project progresses, and to provide final deliverables. From time to time the Board or Treasury staff may ask contractors to engage in working group discussions if/as held on related topics.

Question 2: The RFP includes as a pass/fail requirement that “Terms and Conditions do not include conditional language.” However, the RFP also provides that the proposer shall “*substantially* accept all terms and conditions of Attachment B, Sample Contract,” *subject to negotiation*, and that “The cost, statement of work of the project and any terms and conditions” may be negotiated with the selected proposer. In light of these statements, does the State expect bidders to include any proposed modifications to the Sample Contract (including Insurance Requirements) with RFP submissions, or wait until the bidder has been selected to provide comments to the Sample Contract?

Answer 2: Any requests for changes or objections to the standard terms and conditions of the sample contract must be submitted in accordance with section 2.4 of the RFP. The state anticipates that certain particulars of the statement of work in the contract will be negotiated.

Clarification: In accordance with section 5 of the RFP, Treasury reserves the right to negotiate the final statement of work, timelines, pricing, and to negotiate terms and conditions of the sample contract that are favorable to the state.

Question 3: May I ask if your office has plans to mandate women and minority owned enterprises' involvement in this RFP, or in the consequent RFPs that are expected to result from the State's plan to implement a Retirement Savings Program?

Answer 3: The Oregon State Treasury and the Retirement Savings Board encourages responses from all qualified entities in this Opportunity and future ones related to the Retirement Savings Plan, and is not mandating women and minority owned enterprises' involvement.

Clarification 1: Submission of a proposal(s) must be per Category of Services proposing on (see Section 1.2 of the RFP) responding to the criteria in section 3.0 of the RFP.

Clarification 2: A proposer can submit a proposal for any one, all, or any combination of Category of Services, but must submit a separate proposal per Category of Service proposing on.

Clarification 3: Subcontractors can be utilized in any Category of Services being proposed on.

Clarification 4: The Estimated Contract Amount (section 1.5 of the RFP) of \$150,000 is the cumulative amount for all contracts awarded resulting from this RFP, if any.

Clarification 5: It is anticipated that the Contractor will leverage existing information in order to complete the work.

Market Analysis

Question 1: To date, two approaches have been taken with regard to surveying potential participants. One uses survey panels within the State and the other uses a national panel and adjusts to fit the State's demographic. Does the Oregon Retirement Savings Board ("the Board") have a preference with regard to the approach?

Answer 1: One goal of the market analysis is to ensure the plan as proposed will be a good fit for Oregon, based on Oregon-specific data and characteristics. Survey results may also incorporate national data but should ensure Oregon-based data forms the basis for recommendations on plan and program design, and in support of the feasibility analysis.

Question 2: The RFP and HB 2960 refers to establishing a "plan", which implies one funding vehicle governed by a single constituting document into which many individuals contribute, i.e. a defined contribution plan. Section 3 (a) of HB 2960 refers to an individual account established under "the plan". Many states have restricted their savings initiatives to individual retirement accounts (IRAs), which function more like a savings program whereby the individual has greater influence and control, including portability, over their accumulated assets. Does the Board have a preferred approach or will this analysis form a fundamental part of the legal work, market analysis, program design and financial feasibility?

Answer 2: It is expected that assets will be pooled and professionally managed, similar to the approach used for a defined contribution plan, and that the account vehicles are likely to be IRAs under an auto-IRA program fitting the current and proposed safe harbor regulations of the U.S. Department of Labor (DOL).

Question 3: The RFP and HB 2960 appear silent on ERISA with regard to the plan; however HB 2960 requires that ERISA not apply to the employers. Does the Board have a view on whether ERISA protections for the plan are desirable or to be avoided?

Answer 3: The plan intends to operate within the State Savings Arrangements Safe Harbors outlined in the DOL's Proposed Regulation for Savings Arrangements Established by States for Non-Governmental Employees.

Question 4: We read the Market Analysis as having five core components:

1. Survey participants
2. Survey employers
3. Evaluate current and emerging offerings in the private market that might meet Oregon's needs
4. Evaluate potential employer costs and potential ways to alleviate an incremental cost impact

5. Analysis of potential employers based on a legal definition of employer TBD

Our question was whether the survey work could be done as a discrete part of the project, as the requirements and skill sets are somewhat distinct from those required to complete the other parts of the study. We understand that the results of this work will need to be integrated into the broader analysis and recommendations.

Answer 4: Contractor may address in its response and perform the survey work as a discrete component of the Market Analysis work, and may use subcontractors for the survey work. Contractor must incorporate the survey work into its response to the request for a Market Analysis. Under the sample contract, any portion of the work that a contractor determines should be done by a subcontractor must be prior-approved by Treasury.

Program Design

Question 1: The only requirement for exempting an employer from offering “the plan” appears to be that the employer offers an alternative plan that meets Board-established requirements. Please confirm whether this understanding is correct and whether the Board expects additional requirements, e.g. employee headcount or number of years in business.

Answer 1: A more detailed view of plan eligibility and employer exemption will be developed during the rulemaking activity outlined in Section 4 of HB2960.

Question 2: The process determining employee/employer eligibility and how to ensure participation and proper handling of employee contributions by covered employers depends significantly on answers to legal questions, as does many of the enforcement issues. When will the Board expect to be appointing legal counsel?

Answer 2: The Board will be working with the Oregon Department of Justice (DOJ) on legal requirements related to the Plan, and has initiated engagement with DOJ.

Question 3: Are there any other policy goals, e.g. target replacement income or access to emergency savings that are important from the Board or legislature’s perspectives in developing the overall program design and evaluating the existence of private sector providers today?

Answer 3: The Plan is being established with the goal of increasing the percentage of Oregonians saving for retirement and enrolled in a retirement plan, and increasing the amount of savings in those plans.

Financial Feasibility

Question 1: The Financial Feasibility study can have a few scenarios, e.g. conservative or aggressive, with regard to participation rates, capital market return assumptions, etc. Does the Board anticipate one scenario, multiple scenarios, or dynamic modelling?

Answer 1: The Board anticipates multiple scenarios.