



**ADDENDUM NO. 3  
Issued July 2, 2010**

**TO**

**REQUEST FOR PROPOSALS  
FOR  
401(k) PLAN SERVICES  
(RFP Number 10-FA-003)  
(RFP Issued June 7, 2010)**

**Note:** Proposers are required to acknowledge this and all Addenda in Section 5(a) of the Proposal Form.

This Addendum consists of the Connecticut Resources Recovery Authority's ("CRRA") responses to written questions that have been received by CRRA by 3:00 p.m., June 23, 2010, the deadline for questions specified in the "Instructions To Proposers." CRRA notes that the questions addressed in Addendum 1 were asked again subsequent to CRRA's issuance of Addendum 1. CRRA will not repeat those questions in this Addendum 2.

<u>2.1.</u>	Question	What is driving this initiative (what are the main motivators for taking this to bid/RFP)?
	Answer	CRRA is required by Connecticut state law (CGS 22a-268a) to solicit proposals for professional services such as the 401(k) Plan services at least once every three years.
<u>3.2.</u>	Question	Has the contract with Hooker & Holcombe Investment Advisors, Inc. expired and will it be replaced?
	Answer	CRRA entered into a three-year agreement with Hooker & Holcombe Investment Advisory, Inc. in 2007. That agreement will expire in 2010 and will be replaced with an agreement between CRRA and the successful proposer.
<u>4.3.</u>	Question	Regarding participants, how many retirees do you have in total? How many employees do you have in total? Are you interested in increasing the number of plan participants?
	Answer	The Plan has 59 active participants and 20 inactive (terminated) participants. All employees are automatically enrolled in the Plan after six months of employment, so the 59 active participants is essentially the number of CRRA employees. CRRA does not have retirees in the plan and is not interested in increasing the number of plan participants beyond internal employees.
<u>5.4.</u>	Question	Section 4 Proposal form #13, (i) which states the following: "A copy of the Proposer's up to date certificate of insurance showing all coverage required by Section 6.1 of the agreement"  Can you direct me to "Section 6.1 of the agreement?"
	Answer	Section 15 of the RPF Package Documents is the "Agreement for 401(k) Plan Services" (the "Agreement"). Within the Agreement, Section 6.1 set out the required insurance coverages.
<u>6.5.</u>	Question	What is the formal name of the plan?
	Answer	Connecticut Resources Recovery Authority Employee Savings Plan
<u>7.6.</u>	Question	What is the Average Deferral Percentage?
	Answer	The average employee deferral is approximately 8%.

<b>8.7.</b>	Question	What are the average annual total contributions to the plan?
	Answer	Annual employee contributions are around \$415,000.00 with employer contributions around \$412,000.00
<b>9.8.</b>	Question	What is the average annual compensation of CRRA participants?
	Answer	
<b>10.9</b>	Question	Please provide any match or profit sharing formula.
	Answer	Employees are automatically enrolled in the 401(k) Plan on the first of the month after six months of continuous employment. Each pay period, CRRA makes Non-Discretionary Matching Employer Contributions to the plan on an employee's behalf of 5% of the employee's compensation. CRRA also makes Fixed Non-Elective Employer Contributions to the plan on an employee's behalf in the amount equal to 5% of an employee's compensation.
<b>11.1</b>	Question	Is CRRA looking for someone to perform vendor management services with Fidelity (i.e., ensure Fidelity is meeting contractual obligations and charges are in line with agreements)?
	Answer	Yes.
<b>12.1</b>	Question	Do you have a formal education schedule (monthly, quarterly, semi-annual, or annual)?
	Answer	Yes, CRRA, with the assistance of the 401(k) Plan Services provider, holds education meetings two times per year: once in the Spring and once in the Fall. For each meeting, two sessions are held: one in the morning and one in the afternoon.
<b>13.1</b>	Question	How often would you like to have education meetings?
	Answer	Please see the answer to question 12.
<b>14.1</b>	Question	Total number of expected Education Sessions annually?
	Answer	Please see the answer to question 12.
<b>15.1</b>	Question	What specific content are you looking for in the Education Sessions (e.g., explaining how the plan works, investment education, etc.)
	Answer	CRRA plans to seek the advice of and consult with the 401(k) Plan Services provider to develop appropriate content for the education sessions.

<u>16.1</u>	Question	Where will education meetings take place (i.e. a central office and/or off-site)?
	Answer	The education meetings take place at CRRA's headquarters in Hartford.
<u>17.1</u>	Question	Would you like education meetings to be group meetings, individual meetings, or both?
	Answer	CRRA plans to seek the advice of and consult with the 401(k) Plan Services provider to determine the appropriate type(s) of meetings.
<u>18.1</u>	Question	What communication channels and other resources are available to announce, advertise and follow up on the Education Sessions?
	Answer	CRRA announces its education meetings through an e-mail to each employee.
<u>19.1</u>	Question	Do you have any restrictions on the format of the communications (e.g., can we deliver PDFs by email for the purpose of inviting employees to the sessions)?
	Answer	CRRA plans to seek the advice of and consult with the 401(k) Plan Services provider to determine the appropriate type(s) of communications with employees about education meetings.
<u>20.1</u>	Question	How are communications for 401k currently developed?
	Answer	CRRA seeks the advice of and consults with the 401(k) Plan Services provider in developing communications for 401(k) Plan education meetings.
<u>21.2</u>	Question	Please provide the current fund lineup.
	Answer	Please see the attached for a listing of the investment options currently available in the CRRA 401(k) Plan.
<u>22.2</u>	Question	How are the funds selected?
	Answer	Funds for the CRRA 401(k) Plan are selected by the CRRA 401(k) Committee with the advice of and in consultation with the 401(k) Plan Services provider.
<u>23.2</u>	Question	Current # of funds?
	Answer	CRRA's 401(k) Plan currently offers 24 funds (12 of which are the Fidelity Freedom Series) and a Self Directed Brokerage link.
<u>24.2</u>	Question	Does Fidelity require a certain percentage of the funds to be Fidelity funds?
	Answer	No.

<b><u>25.2</u></b>	Question	Does your plan have an Investment Policy Statement (IPS)? If yes, was it internally or externally drafted? If you have an Investment Policy Statement (IPS), please provide a copy.
	Answer	N/A. The Plan is employee self-directed.
<b><u>26.2</u></b>	Question	Can we have a copy of CRRA's Investment Policy Statement?
	Answer	Please see the answer to question 24.
<b><u>27.2</u></b>	Question	Do you have a formal monitoring process for the funds in the plan?
	Answer	Yes, the 401(k) Plan Services provider monitors the funds in the Plan and provides a quarterly report on the performance of the funds to the CRRA 401(k) Plan Committee. The 401(k) Plan Services provider meets with the CRRA 401(k) Plan Committee on a quarterly basis and discusses its quarterly monitoring report with the Committee.
<b><u>28.2</u></b>	Question	If you have a sample Investment Due Diligence Report, please provide a copy.
	Answer	Quarterly reports are provided by the 401k Plan Services provider.
<b><u>29.2</u></b>	Question	Can you explain what you mean by "annual audits of CRRA's 401(k) Plan"? Do you mean a formal ERISA plan audit, or plan benchmark report of expenses, investment options, performance, participant participation and deferral measures, etc?
	Answer	CRRA is a quasi-public agency and considered a State entity under IRS and ERISA definitions and is, therefore, exempt from ERISA filings. The "annual audits" expected of the 401(k) Plan Services provider is a plan benchmark report.
<b><u>30.2</u></b>	Question	What is the scope of "audit services" mentioned in the RFP?
	Answer	See the answer to question 28.
<b><u>31.3</u></b>	Question	Is CRRA looking for the service provider to audit plan documents' compliance with IRS rules?
	Answer	N/A. As referenced in the answer to question 28, the Plan is not subject to ERISA or IRS filing obligations.
<b><u>32.3</u></b>	Question	Is CRRA looking for the service provider to audit plan operation?
	Answer	Generally, the answer is yes.

<b>33.3</b>	Question	Please verify that the services specified under Exhibit A would be covered under Section 19 or that they could be deemed to be covered under the “Standards” section.
	Answer	The services specified in Exhibit A (the “Scope of Services”) are certainly covered under Section 2.2 (“Performance and Completion of Services”) of the Agreement. CRRA is unclear about the reference in the question to Section 1.9.
<b>34.3</b>	Question	In the event that CRRA determines during the term of this Agreement that revisions, modifications, or changes are necessary to the Scope of Services, as specified in Section 2.6 of the Agreement, how will compensation be determined for the altered Agreement?
	Answer	Compensation associated with changes in the Scope of Services will be determined on a time and materials basis, using the billing and ancillary services rates specified in the proposer’s Payment Rate Schedule Form.
<b>35.3</b>	Question	Will Proposals be acceptable if submitted with a flat-rate, set annual fee that would be inclusive of all services and requirements of the RFP other than potential as-needed services, or will they only be acceptable with all individual services broken out and billed as services rendered?
	Answer	As specified in section 1 of the Payment Rate Schedule Form, proposers may propose any other specialized billing arrangement a proposer would make available to CRRA on a sheet(s) attached to the Form. CRRA would consider a compensation proposal such as that described in the question.
<b>36.3</b>	Question	In reviewing Section 7 – Personnel Background and Experience Form, a question has arisen regarding the meaning of “% of Time Available”. In the document, you describe this percentage as “the percentage of the individual’s time that he/she would be available to provide services to CRRA.” Are you referring to the percentage of each individual’s professional schedule that can be applied to CRRA, or are you referring to the percentage of time each individual would put towards the proposed team’s total of 100%?
	Answer	The figure that should be entered in the “% of Time Available” area of the Personnel Background And Experience Form is the percentage of each individual’s professional schedule that can be applied to CRRA. A proposer may indicate elsewhere in the proposal the percentage of time each individual would put towards the proposed team’s total of 100% if the proposer believes that doing so would aid CRRA in its evaluation of the proposal.

37.3	Question	Would a lack of experience providing investment consulting services to municipalities specifically for 401k plans eliminate service provider from consideration even though they have deep expertise providing identical services for the private sector and have extensive experience providing similar services to public sector pension plans, including 457(b) plans?
	Answer	No, a lack of experience providing investment consulting services to municipalities for 401(k) plans would not eliminate a proposer from consideration. However, experience in providing investment consulting services to governmental entities such as CRRA is a factor that CRRA may, at its discretion, consider in evaluation proposals.

**INVESTMENT ALTERNATIVES OFFERED IN CRRA'S 401(k) PLAN**

<b>Category</b>	<b>Fund</b>
Cash & Equivalents	Fidelity Cash Reserve
	Fidelity Managed Income Portfolio
Fixed Income	PIMCO Total Return ADM
	Fidelity Inflation Protection Bd
Balanced	Fidelity Balanced
Domestic Equity (Large)	Spartan U.S. Equity Index
	Fidelity Equity Income
	Fidelity Growth Company
Domestic Equity (Small/Mid)	Aston/Optimum Mid Cap N
	Loomis Sayles Small Cap Value
International Equity (Large)	Fidelity Overseas
	Spartan International Index
Fidelity Freedom Series	Fidelity Freedom Income
	Fidelity Freedom 2000
	Fidelity Freedom 2005
	Fidelity Freedom 2010
	Fidelity Freedom 2015
	Fidelity Freedom 2020
	Fidelity Freedom 2025
	Fidelity Freedom 2030
	Fidelity Freedom 2035
	Fidelity Freedom 2040
	Fidelity Freedom 2045
Fidelity Freedom 2050	
Other	Self Directed Brokerage Link

**END OF ADDENDUM 2**