

City of Sacramento

Legislation Text

File #: 2020-01507, Version: 1

Title:

Professional Services Agreement with Hyas Group for Retirement Plans Consulting Services

File ID: 2020-01507

Location: Citywide

Recommendation:

Pass a Motion authorizing the City Manager, or City Manager's designee, to execute a five-year agreement with Hyas Group at a cost not to exceed \$250,000 for retirement plans consulting services.

Contact: Samantha Wallace, HR Manager, 916-808-7657, Department of Human Resources

Presenter: None.

Attachments:

1-Description/Analysis

2-Professional Services Agreement

Description/Analysis

Issue Detail: The City conducted a request for proposals (RFP) for retirement plans consulting services to assist the City and the Defined Contribution Plans Committee (Committee) with the management and oversight of the City's 401(a), 457(b), and Retiree Health Savings plans. The current combined asset value of all plans is approximately \$640,199,679. A consultant who has the expertise to advise the City on the management of its plans and review the investment lineups will benefit the City and the participants. Those benefits include reducing plan fees for participants, increasing and improving investment opportunities, increasing marketing to build participant enrollment, training City staff and Committee members, and increasing oversight of the compliance by the plan's recordkeepers in carrying out the requirements of the plan agreements.

The City received seven responsive proposals to its RFP. The Committee formed an ad-hoc committee to review and score the proposals using a scoring rubric to rate the proposals, which included:

Evaluation Criteria	Maximum Points
Demonstrated understanding of the scope of services	25
Qualifications and experience of assigned personnel	20
Firm experience with similar size and scope	25
Proposed cost of services	20
Completeness, clarity, and accuracy of RFP response	10
Total Points:	100

Scoring by the ad-hoc committee resulted in the following top three firms:

1. Hyas Group - average score of 91
2. NFP - average score of 83
3. NEPC - average score of 76

The top three scoring firms then made presentations to the Committee and the Committee passed a motion on October 16, 2019, recommending the City move forward with an agreement with Hyas Group for retirement plans consulting services. Once the general terms and costs associated with the retention of the Hyas Group was determined, staff engaged with all of the City’s recognized employee organizations (REOs) to establish a reasonable means for funding the consulting agreement from participant contributions. All of the REOs have executed agreements to that end with identical terms.

Policy Considerations: City council approval is required to execute agreements for services if the amount to be expended under each such agreement is \$250,000 or more.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: None.

Commission/Committee Action: The Committee passed a motion on October 16, 2019, recommending the City enter into a professional services agreement with Hyas Group for retirement plans consulting services. The Committee reviewed the Hyas Group’s scope of services at their December 10, 2020, meeting and passed a motion recommending the City, enter into a professional services agreement with Hyas Group.

Rationale for Recommendation: Hyas Group received the highest RFP evaluation score, and the Committee recommended the City move forward with an agreement with Hyas Group. The City is now ready to enter into an agreement with Hyas Group since the 457(b) plan participant fee is being implemented in January 2021 to cover the cost of the agreement.

Financial Considerations: The cost of the agreement will be paid for solely from the plan participants of the 457(b) plan who will pay a fee of \$18.00 per year to be held in an administrative allowance account at Nationwide Retirement Solutions and used in accordance with the Fee and Expense Policy Statement approved by Council on July 31, 2018.

Local Business Enterprise (LBE): Waived.