INVESTMENT CONSULTANT SERVICES

FORMAL REQUEST FOR PROPOSAL

ADDENDUM NUMBER: ONE (1) 

February 15, 2021

THIS ADDENDUM IS ISSUED PRIOR TO THE ACCEPTANCE OF THE FORMAL RFPS. THE FOLLOWING CLARIFICATIONS, AMENDMENTS, ADDITIONS, DELETIONS, REVISIONS, AND MODIFICATION FORM A PART OF THE CONTRACT DOCUMENTS ONLY IN THE MANNER AND TO THE EXTENT STATED.

CLARIFICATION

Figures for the total investment amounts for the 403B/457B Defined Contribution (DC) retirement plans.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>VALIC</td>
<td>$394,161,052</td>
</tr>
<tr>
<td></td>
<td>$621,677</td>
</tr>
<tr>
<td>Fidelity</td>
<td>$281,170,366</td>
</tr>
<tr>
<td></td>
<td>$19,408,402</td>
</tr>
</tbody>
</table>

MODIFICATION

Please note the following minimum requirements have been modified:

1. Public assets under advisement over $500B $350B.
2. At least ten five public clients with assets > $500M each

Q&A

1. Is the requirement of $500B in public assets flexible? It seems like that might eliminate the vast majority of investment consultants in the industry and some qualified firms. Please see the revised minimum requirement above.

2. The RFP requires 10 public health plans of $500M or greater. Our firm has 64 plans that are $500M or greater, but 5 of them are public health. Would you be able to consider response, or would it be thrown out because of this? Does not have to be Health, could be counties, states, school systems, etc.

3. Please provide asset information for the plans. Provided above.

4. Re: Minimum Requirement #1- Public assets under advisement over $500B – please elaborate on definition of public assets. Does this mean that consultant’s firm-wide client assets must exceed $500B? Or some subset of assets? Firm-wide public assets under advisement. Please see the revised minimum requirement above.
5. Regarding your minimum qualification requirements, is Broward Health's intent to only allow participation by retirement plan consulting firms with at least $500 billion in total assets under advisement? Please see the revised minimum requirement above.

6. Please explain the driver(s) behind the RFP. What are the current pain points? We have no Investment advisor other than the recordkeepers and we need advice on moving to one recordkeeper and streamlining the plan investment options to a manageable number that an advisor can monitor and report on regularly.

7. Is there a current committee charter available for review? We do not have one today.

8. Is there a current investment policy statement available for review? We do not have one today.

9. What is the current fee strategy regarding revenue sharing on investments? We do not have one today.

10. How often are investment fees reviewed? It should be annually, however with the current number of investment options it is not manageable.

11. Is there a preference to adopt/change the fee strategy moving forward and if so, what is the preferred approach? We need to adopt one. Selected advisor will provide options.

12. When was the last formal RFP/RFI or informal fee benchmarking completed? Not aware that it has been done, not in the past few years.

13. Were any changes or fee concessions made as a result? N/A

14. What is on the “wish list” for recordkeeping services and plan administrative support? Release an RFP to go to one recordkeeper and trim the plan to 10 to 15 investment options across the various fund categories plus the traditional target date funds.

15. Is there an SPD or plan highlights brochure available for the 457(b)? Brochure has been provided with this addendum.

16. How frequently is the 403(b) plan design benchmarked and what plan changes have been introduced over the past 24 months? This has not happened.

17. What is prompting Broward Health to issue the RFP for investment advisor? We do not have an advisor for the DC plans and we need the plans reviewed regularly.

18. Has Broward Health formed a retirement committee to evaluate the investment advisor? Could Broward Health share the functional titles of the members? It will be formed by the SVP CFO, SVP CHRO, VP Finance, Treasurer and AVP Total Rewards.

19. What would Broward Health consider to be the most important criteria in its decision-making process as Broward Health evaluates the investment advisor? Advisors ability to provide the full scope of services.

20. Are there particular qualities of the investment advisor relationship team that are important to Broward Health? Experienced, knowledgeable.

21. Our non-ERISA retirement plan sponsors typically embrace ERISA best practices. We do not delineate our corporate and healthcare clients by ERISA and non-ERISA and will not be able to provide statistics relative to the number of non-ERISA clients. Please advise if this is acceptable. We embrace the same just do not have the filing requirements.
22. How often does Broward Health want to meet with the investment advisor (quarterly, semi-annually, etc.)? Virtually or in-person. Quarterly reports (virtually), one in-person annually.

23. Does Broward Health currently have an investment advisor, and if so, how long has the current advisor been in place? Have not had one for the DC plans.

24. Please provide copies of the following:
   a. Investment Policy Statement
   b. Summary Plan Description
   c. Fee Disclosure
   Brochure has been provided with this addendum.

25. How many recordkeepers do you currently have and are they all open to new participants and/or new contributions? VALIC and Fidelity. They are open to all benefit eligible employees new and existing.

26. What are the current assets per plan and per recordkeeper? Provided in this addendum.

27. How many participants per plan? Fidelity 403b = 2,618 actives; Fidelity 457b = 123 actives; VALIC 403b = 3,567 actives; VALIC 457b = 44 actives

28. Are all the investment options open to new contributions? (i.e., are any of the investment options closed or frozen) All the Fidelity funds and all the VALIC funds as well as annuities.

29. Which funds/options are closed/frozen? N/A

30. What is the current default fund? Do you have a different default on each recordkeeper’s platform? Do you have a Default Vendor? Yes, we have different default funds with each vendor. The employee default fund for Fidelity is: Fidelity Government Cash Reserves Fund and the employer default fund is Fidelity Intermediate Bond Fund. For VALIC the employee default fund is the Money Market fund and the employer default fund is the Fixed Income Bond fund.

31. Have you considered a single fund line-up to be offered on the vendor platform? We need an advisor to guide us to the correct fund lineup.

32. What level of governance consulting is provided today? None. What additional governance services would be desired going forward? (fee policy statement, full meeting services, agenda development, minutes, regular administrative fee reporting, etc.)? All of the above and development of an Investment Policy and Retirement Committee Charter, Fund performance reviews quarterly, Recordkeeper RFP services.

33. When was the last time that you went to RFP for the recordkeeping? Nothing recent.

34. How often do you evaluate administrative/recordkeeping fees and services? We meet with the recordkeepers annually.

35. Are additional administrative consulting services desired, e.g., plan design, compliance, etc.? Yes. Refer to the Scope of Services, items 2-4, 7, 12 and 20.

36. Can you provide the asset totals within each plan? Provided in this addendum.

37. Is the RFP intended to be a due diligence process, or is the RFP intended to result in a change with your current consultant(s)? We do not have a consultant today, one will be selected based on the RFP process.

38. How long has the current consultant been in place? We do not have a current consultant.
39. Is the current consultant being considered as part of this process? N/A

40. What prompted your desire to conduct a search at this time? An Advisor is needed.

41. Do you have any specific issues with regard to your current consultant? N/A

42. How many firms received the RFP? The RFP solicitation is open to the public.

43. Who does your Plan use for a record keeper? VALIC and Fidelity.

44. What is the most important investment issue the Plan is currently facing? Two recordkeepers and open fund options make it difficult to manage.

45. What issues are under current consideration by the staff and/or committee? What strategic decisions are currently pending that the new consultant, should you determine to make a change, would likely become involved with? Development of an Investment Policy and Retirement Committee Charter, Fund performance reviews quarterly, Recordkeeper RFP services, fee policy statement, full meeting services, agenda development, minutes, regular annual administrative fee reporting.

46. How large is your internal investment staff and can you briefly describe their key investment responsibilities and whether they have any non-investment duties as well? N/A

47. How often does the committee meet during the year and where? The committee should be meeting quarterly as stated. Duties and schedule will be decided when we work with the advisor to develop a committee charter and investment policy.

48. In the company profile tab we are asked to identify the total revenues of our overall business; separately, identify the revenues (or percentage of total revenues) associated with Non-ERISA investment consulting in 2015, 2019 and YTD 2020. Should 2015 read 2018? Yes.

49. In the RFP questionnaire, on the Fees tab, there is a line item for 'Base In-Scope Recurring Actuarial Fees'- can you expand on whether this would be applicable for the 403(b) Plan? This is a typo, it should read “In-Scope Advisory Fees”.

END ADDENDUM ONE