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Correspondence Memorandum

Date: October 23, 2020

To: Wisconsin Deferred Compensation Board

From: Tim Steiner, Director
Joanne Klaas, Contracts Specialist
Bureau of Budget, Contract Administration and Procurement

Shelly Schueller, Director
Wisconsin Deferred Compensation Program

Subject: Authorization for Third Party Administrator Request for Proposals (RFP)

ETF recommends the Deferred Compensation Board (Board) delegate its authority to the ETF Secretary to solicit proposals for a qualified firm to provide third party administration and record keeping services for the Wisconsin Deferred Compensation Program (WDC). Additionally, ETF seeks a Board member willing to serve on the evaluation committee.

One of the Board's fiduciary responsibilities is to ensure that WDC services, including administration and record keeping, are being provided competitively. To ensure that WDC participants and employers are receiving the optimal level of services for the price being paid to the administrator, the Board has periodically issued a Request for Proposals (RFP) for administrative services. Administration and record keeping have been done under contract by a third-party administrator since inception of the plan.

The most recent competitive procurement process in 2004 resulted in a contract with Great-West Retirement Services, now known as Empower Retirement, that began in December 2005. Empower Retirement has been an excellent WDC partner, providing accurate and secure record keeping services along with statewide in-person education and innovative online tools. The current contract has been extended several times and will expire on November 30, 2022.

ETF believes it would be prudent for the Board to conduct a competitive procurement for the WDC's administrative services before the current contract expires. ETF further recommends that the Board delegate its authority to the ETF Secretary to solicit proposals from firms qualified to provide third-party administration and record keeping services for the WDC. Empower Retirement would be invited to submit a proposal.

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services

Electronically Signed 10/27/20

Board	Mtg Date	Item #
DC	11.19.20	10B

If this RFP request is approved by the Board, ETF anticipates following the proposed timeline shown below. In order to build in sufficient time to allow for any potential transition to a new vendor, the RFP would be issued in the first quarter of 2021 and the evaluation committee, which ideally will include a Board member, would meet during the summer of 2021 to review responses to the RFP. The Board must provide the administrator with 180 days' notice if the current contract is to be terminated. A new contract could ideally be executed by late fall 2021. The proposed new contract would commence on December 1, 2022.

Proposed WDC Administrative Services RFP Timeline	
November 2020	Board action on RFP for WDC administrator
March 2021	ETF issues RFP
April 2021	Vendors submit questions and ETF submits answers
May 2021	Proposals due
Summer 2021	Committee evaluates proposals
Fall 2021	Board decision
Late fall 2021	New contract negotiated
Late fall 2021	Termination notice to current administrator, if applicable
January 2022 (11 months to transition)	Begin WDC transition to awarded administrator

Staff will be available at the meeting to answer any questions.