

# Overview

**REQUEST FOR PROPOSALS TO PROVIDE**

**Independent Investment Consulting for 529, 401(a) and 457(b) Plans**

10/2018-12/2018

As part of the RI Treasury procurement process, a Requests for Proposal was issued for  
Independent Investment Consulting for 529, 401(a) and 457(b) Plans

The 529 Plan has been advised by Capital Cities since November, 2014, for a fee of \$75,000/year

Segal Marco and Capital Cities had provided project consulting services to the 401(a) and 457(b) Plans in 2017 and 2018

Segal's project consulting services were administered for a fee of \$49,500

Capital Cities' project consulting services were administered for a fee of \$15,000

Search committee included Treasury staff plus Erik Carleton from the SIC

Five firms, including the incumbent 529 Investment Consultant, Capital Cities, provided initial responses

Cammack LaRhette Advisors

Capital Cities

Dahab

The Optimal Service Group

Segal Marco Advisors

Initial responses were judged according to fulsomeness of responses, depth of resources, and experience with similar plans.

Following initial responses, we requested that Cammack, Capital Cities and Segal Marco submit a presentation with their impression of our defined contribution and deferred compensation plans and a first 90-days game plan. We met with the three finalists.

We assessed the candidates' 529, 401(a) and 457(b) Plan experience during the in-person interviews. Due to the varying degree of expertise and experience across plan types, it was determined that 529 and DC organizational characteristics should be scored, separately.

We spoke with references for both Cammack LaRhette and Capital Cities.

Following the discussions, firms were scored according to a 100 point scale, distributed as follows:

Organizational Characteristics	40 =	<u>529</u>	+	<u>DCP</u>
Staff experience		20		20
Organizational structure				
Client Service				
Compliance				
Investment Philosophy Analysis & Process	30			
Performance & Risk Reports	15			
Fees	15			

Final scores were

Cammack LaRhette Advisors	86
Capital Cities	85
Segal Marco	75

The search committee recommends that we retain Capital Cities as the Investment Consultant to the 529 Plan. We have asked both Cammack and Cap Cities to respond to prepared follow-up questions and expect to have an update on 2.27

# Fee Table

	529	401/457	TOTAL
<b>Capital Cities</b>	\$75,000	\$112,500	<b>\$187,500</b>
<b>Dahab</b>			<b>\$350,000</b>
<b>The Optimal Service Group</b>	\$50,000	\$300,000	<b>\$350,000</b>
<b>Segal Marco</b>			<b>\$135,000</b>
<b>Cammack*</b>	\$67,500	\$81,250	<b>\$148,750</b>
<b>Capital Cities (529) + Cammack* (401/457)</b>	<b>\$75,000</b>	<b>\$81,250</b>	<b>\$156,250</b>

\*Cammack fees incorporate the following one-time RFP costs, evenly distributed across a 4 year period:

- 529 Plan program manager: \$50,000
- 401/457 Plan recordkeepers: \$105,000