

**65419**

Date: October 11, 2018

To: Honorable Members of the Board of Acquisition and Contract

From: Ann Marie Berg  
Commissioner of Finance

RE: Authority to enter into an agreements for the operation and administration of the Westchester County Deferred Compensation Plan, for the period December 17, 2018 through December 16, 2023 with the County having the sole option to renew the agreement for up to two (2) one-year renewal terms

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Pursuant to the Rules and Regulations of the New York State Deferred Compensation Board (the "Rules"), agreements for the operation and administration of a deferred compensation plan are limited to a duration of five (5) years, with two (2) one-year renewal options. The Rules also require that any such agreement be awarded as the result of a Request for Proposals ("RFP") process.

On October 10, 2013, Your Honorable Board authorized the County of Westchester (the "County"), acting by and through the Westchester County Employees Deferred Compensation Board (the "Board") to enter into five-year agreements (the "Agreements") for the operation and administration of the Westchester County Deferred Compensation Plan (the "Plan"). The following Agreements were authorized and subsequently entered into:

- (i.) Massachusetts Mutual Life Insurance Company ("MassMutual"), as the administrative service agency for the Plan,
- (ii.) MassMutual as the financial organization for the Plan,
- (iii.) Reliance Trust Company as trustee for the Plan,
- (iv.) Retirement Plan Advisors, LLC ("RPA"), for the provision of investment advisory services to those participants in the Plan who elect to have RPA manage their accounts,

The Agreements will expire December 19, 2018 and the Board, by unanimous vote, has resolved not to exercise its option to renew the Agreements.

The County issued an RFP seeking proposals for the operation and administration of the Plan. The RFP was posted on the County's RFP website and advertised nationally. Seven (7) firms submitted proposals. Centurion Group, LLC, a consultant retained by the County, evaluated the proposals and compared each of the proposals against the evaluation criteria contained in the RFP and in accordance with the Rules. The Furthermore, in accordance with the County's Procurement Policy and the RFP, the proposals were ranked based upon the evaluation criteria set forth in the RFP and the Rules. A chart of the evaluation criteria rankings is attached hereto and made a part hereof as Schedule "A".

Prudential Retirement Insurance and Annuity Company (Prudential) was ranked first based on the quality of its participant education and communications, guaranteed interest rate and experience with similar New York governmental retirement plans. The top three (3) proposers, Empower (the nation's largest provider of 457 plan services), Prudential and VALIC (Variable Annuity Life Insurance Company) were invited to make presentations to the Board. Though all of the firms were highly qualified, the Board unanimously voted to recommend award of the contract to Prudential. The Board felt that Prudential's commitment to the continued success of the program, demonstrated record of success with comparable plans, and performance of its proposed investments merited this award. Prudential also had positive references from the Deferred Compensation Boards of Nassau and Rockland counties.

Prudential will act as both the administrative service agency for the Plan and the financial organization. Prudential Bank & Trust Company will act as the trustee for the Plan. In addition, as part of the Prudential proposal, Morningstar Investment Management LLC will provide investment advisory services to those participants in the Plan who elect to have Morningstar manage their accounts.

The proposed agreements will be for a term commencing December 17, 2018 and expiring December 16, 2023, with the County having the sole option(s) to renew the agreements for two (2) one (1) year renewal terms. All fees for these services will be paid by the participants in the Plan.

I recommend approval of the attached proposed resolution.

AMB/lb/jrc

**RESOLUTION**

Upon a communication from the Commissioner of Finance, be it hereby

**RESOLVED**, that the County of Westchester (the "County") is hereby authorized to enter into agreements with

- (v.) Prudential Retirement Insurance and Annuity Company, as the administrative service agency and as the financial organization for the Westchester County Deferred Compensation Plan (the "Plan"),
- (vi.) Prudential Bank & Trust Company as trustee for the Plan,
- (vii.) Morningstar Investment Management LLC for the provision of investment advisory services to those participants in the Plan who elect to have managed account services,

for the period December 17, 2018 through December 16, 2023, with the County having the sole option to renew the agreements for two (2) one (1) year renewal terms; and be it further

**RESOLVED**, that there be no cost to the County for these services as all fees will be paid by the participants in the Plan; and be it further

**RESOLVED**, that the County Executive or his authorized designee is hereby authorized to execute all instruments and take all actions reasonably necessary to implement this Resolution.

Account to be Charged/credited	Year	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
N/A							0.00

Budget Funding Year(s) N/A Start Date 12/17/2018 End Date 12/16/2023  
 (must match resolution)

Funding Source Tax Dollars      N/A  
 State Aid      N/A  
 \$ 0.00 Federal Aid      N/A  
 (must match resolution) Other N/A

**SCHEDULE "A"**

<b>Criteria</b>		<b>EMPOWER</b>	<b>PRUDENTIAL</b>	<b>VALIC</b>
Organization & History	5%	4.5	4.5	4
Recordkeeping / Admin/ Reporting / Custodial Services / Regulatory	20%	18	17	15
Voice Response / Customer Service Center / Internet	20%	17	16	15
Communications / Education Field Reps	20%	16	18	15
Investments	25%	21	24	21
Fees / Transition / Contractual Compliance	10%	7	8	7
<b>TOTAL</b>		<b>84.5</b>	<b>87.5</b>	<b>77</b>

APPROVED BOARD OF ACQUISITION & CONTRACT - 10/11/2018 - LISAPRIJAJ, SECRETARY