

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 04/23/24M&C FILE NUMBER: M&C 24-0318

LOG NAME: 13PRFP 457 DEFERRED COMPENSATION PLAN HR CB

SUBJECT

(ALL) Authorize Agreement with the TIAA-CREF Individual & Institutional Services, LLC to Serve as the Third-Party Administrator for the City of Fort Worth's 457 Deferred Compensation Plan at No Cost to the City of Fort Worth

RECOMMENDATION:

It is recommended that the City Council authorize an agreement with the TIAA-CREF Individual & Institutional Services, LLC to serve as the third-party administrator for the City of Fort Worth's 457 Deferred Compensation Plan at no cost to the City of Fort Worth.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to seek authorization to enter into a new agreement with TIAA-CREF Individual & Institutional Services, LLC (TIAA) to be the third-party administrator for the City's 457 Deferred Compensation Plan (Agreement). TIAA has operated as the third-party administrator for the City's 457 Deferred Compensation Plan since 2013.

On September 12, 2023, a Request For Proposals (RFP) was issued for the administration of the 457 Deferred Compensation Program. Seven companies responded to the RFP. With the assistance of our 457 Deferred Compensation Consultant, the proposals were evaluated and narrowed to three finalists. The proposals were evaluated based on the total fees for services, administration and services, and experience and qualifications. The three finalists were given the opportunity to submit best and final offers. Based on the best and final offers, the 457 Deferred Compensation Committee unanimously voted to recommend that TIAA continue to serve as the sole third-party administrator for the City's 457 Deferred Compensation Plan.

Bidder	Evaluation Factors			
	a	b	c	Total Score
Corebridge Financial	18.4	10.0	34.44	62.84
Empower Retirement, LLC	21.6	9.6	40	71.20
TIAA	29.6	14.8	32.22	76.62

Best Value Criteria:

- a. Administration and Services
- b. Experience and Qualifications
- c. Price

While TIAA did not have the lowest expense overall on a fee basis (6 basis points or 0.06%), Basis points are most often used in instances where percentages define fees, charges, and rates. Other finalists had additional costs such as higher annual loan maintenance fees, higher loan origination fees, and did not score as well on other criteria due to other factors such as having newly formed teams and limited education series available for participants.

Currently, approximately 44% of City employees participate in this retirement savings option. All associated fees related to the 457 Deferred Compensation Plan are paid by the participants of the plan.

Term: The Agreement will begin on April 1, 2024, and end on March 31, 2029, for an initial term of five (5) years.

Renewal Options: The Agreement may be renewed, at the City's option, for five (5) renewal periods of one (1) year each.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of the recommendation will have no material effect on City funds.

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