



COLORADO
SECURE
SAVINGS
PROGRAM BOARD

PROGRAM AND INVESTMENT CONSULTANTS

Colorado Secure Savings Program Board

January 5, 2021

WHY?

- The Board will need to hire two kinds of consultants — program and investment
- Consultants will work with staff and the Board to outline and facilitate key decisions
- Different license requirements ensure expertise
- National pool of candidates

COLORADO SECURE SAVINGS DESIGN TEAM



COMPARISON OF REQUIREMENTS

PROGRAM CONSULTANTS

- Licensing:
 - 1934 Act // SEC and MSRB
 - Firm is licensed Municipal Advisor
- Program Design. Timing, terms, etc.
- Training: governance and fiduciary duties, IRA and retirement products, securities law
- Procurement: RFP drafting for program administrators and investment managers. Contract negotiations.
- Ongoing advice on all operations, marketing, administration and board matters

INVESTMENT CONSULTANTS

- Licensing:
 - 1940 Advisors Act // SEC
 - Firm is licensed Investment Advisor
- All investment-related matters. IPS.
- Training: investment fundamentals and investment policies
- Procurement: investment sections of RFP
- Ongoing advice on investment performance and capital markets



PROGRAM CONSULTANT SCOPE (SAMPLE)

- General strategic consulting services on program structure, using insight from the defined contribution industry, including Individual Retirement Accounts (“IRAs”) and other traditional retirement plans
- Assess the Board’s current plan structures and program design elements, advise on any possible modifications or improvements, and address specific programmatic needs that should be considered, given the uniqueness of Secure Choice
- Make policy and administrative recommendations to the Board on industry standards and best practices for defined contribution retirement plans and/or state administered plans

PROGRAM CONSULTANT SCOPE (SAMPLE CONT'D)

- Advise the Board on procurement, including without limitation, assisting in drafting RFPs for investment, administrative and other related services, analyzing proposals, and any other related services
- Maintain awareness and provide ongoing analysis of other similar state administered retirement savings programs and/or federal programs and, upon request, present landscape updates to the Board
- Provide the Board guidance on applicable federal regulations or laws, such as rules from the United States Department of Labor, Internal Revenue Service, and the Securities and Exchange Commission, as they relate to state-administered retirement savings plans and IRAs

PROGRAM CONSULTANT SCOPE (SAMPLE CONT'D)

- Upon request by the Board, provide updates on industry developments, including legislative and regulatory changes
- Upon request, provide the Board advice on marketing that is directed towards employers and participants throughout California, with special consideration to under-represented groups, including but not limited to the following: lower-income workers, minority workers; and non-native English speakers
- Provide feedback on recommendations or marketing plans made by outside marketing firms or program vendor(s)

PROGRAM CONSULTANT SCOPE (SAMPLE CONT'D)

- Provide ongoing analysis of the CO Secure Savings Program vendors, particularly in the areas of recordkeeping, custodial services, marketing, and general administrative services, using monthly, quarterly, and annual data
- Assist the Board in identifying and evaluating administrative and marketing benchmarks for CO Secure Savings Program
- Upon request, provide a second opinion on investments or investment performance, if Bidder or its subcontractor is qualified (the Board retains a separate primary investment consultant)

PROGRAM CONSULTANT SCOPE (SAMPLE CONT'D)

- Be available to discuss any investment or administrative issues with the Board and/or program managers on an as needed basis
- Attend Board meetings, as needed, but no less than two (2) times per year, to present research, reports, and analysis and to respond to any questions
- Provide or recommend educational sessions for Board, as requested
- Present a fiduciary training session approximately once every 18 months to provide the Board with education and information regarding its fiduciary role and responsibilities
- Collaborate and communicate with other consultants, record keepers, and program managers retained by the Board, as needed
- Be available to consult with Board members and the Executive Director from 8:00 a.m. to 5:00 p.m. Mountain Time, Monday through Friday
- Respond to the need for telephone consultation within a 24-hour period and be available for meetings with the Board with no greater than 10 days' notice



INVESTMENT CONSULTANT SCOPE (SAMPLE)

- Assist the Board and Treasurer in creating an Investment Policy Statement that considers the Board's Principles, market-based performance, and simple and straightforward fund options
- Advise the Board on procurement, including without limitation, assisting in drafting RFPs for investment and other related services
- Perform a cost analysis and industry comparison of Secure Choice's administration fees, investment management fees, and any program-related fees

INVESTMENT CONSULTANT SCOPE (SAMPLE CONT'D)

- Facilitate an annual review of the Board's investment policy statement, including investment beliefs
- Consistent with the investment policy statement, advise the Board on and support the review of an ongoing risk management and oversight program
- Monitor and evaluate Secure Choice's investment funds by conducting a periodic analysis of each fund's investment returns, historical performance, benchmarks, performance attribution, fees, and any other relevant factors.
- Create written investment fund evaluation reports, which will be provided to the Board and Treasurer on a quarterly basis at a minimum

INVESTMENT CONSULTANT SCOPE (SAMPLE CONT'D)

- Provide constant monitoring, timely review, and analysis of key events that could potentially affect the investment options, such as significant market events, mergers and acquisitions, public offerings, changes in fund senior management, and applicable new and proposed federal and state laws and regulations
- Evaluate the investment manager's recommendations, based upon the Principles, Secure Choice's investment framework, and independent analysis
- Attend quarterly due diligence and review meetings for Secure Choice's investment funds and prepare a written summary of such meetings for the Board and Treasurer

NEXT STEPS

- **BOARD DISCUSSION**
- NOTE: once the Executive Director is on board, they will facilitate this process
- Use procurement office or issue RFP through Treasurer's Office?
- One RFP or two?

NEXT STEPS

- Selection process
 - (h) To MAKE AND ENTER INTO CONTRACTS, AGREEMENTS, OR ARRANGEMENTS, AND TO RETAIN, EMPLOY, AND CONTRACT FOR ANY OF THE FOLLOWING SERVICES CONSIDERED NECESSARY OR DESIRABLE, FOR CARRYING OUT THE PURPOSES SET FORTH IN THIS ARTICLE 54.3:
 - (I) SERVICES OF PRIVATE AND PUBLIC FINANCIAL INSTITUTIONS, DEPOSITORIES, CONSULTANTS, INVESTMENT ADVISERS, INVESTMENT ADMINISTRATORS, AND THIRD-PARTY PROGRAM ADMINISTRATORS;
 - (II) RESEARCH, TECHNICAL, AND OTHER SERVICES; AND (III) SERVICES OF OTHER STATE AGENCIES TO ASSIST THE BOARD IN ITS DUTIES;

NEXT STEPS

- **BOARD DISCUSSION**
- Timeline ([see Gantt Chart](#))
 - RFP out by mid February (respond by March __X__)
 - Candidate evaluation by or at March board meeting
 - Consultants selected before April board meeting
 - How does this impact successive RFPs?