

ADDENDUM NUMBER ONE

THE UNIVERSITY OF NEW MEXICO HOSPITALS

Purchasing Department
933 Bradbury Dr. SE Ste 3165
Albuquerque, New Mexico 87106

Date: August 24, 2017

Proposal Number: P371-17

Name of Procurement Specialist: Tarah Santana

Due Date: September 1, 2017 @ 2:00 pm MDT

Notice to all respondents:

Amend the Proposal: P371-17 Defined Contribution Recordkeeping Services

This **addendum** becomes part of the Proposal Documents and **modifies**, as noted below, the original Bidding Documents.

Question 1 Are the 3 employers (UNMH Hospitals, UNM Sandoval Regional Medical Center and UNM Medical Group) part of the same control group?

UNMH Response to Question 1: All 3 employers are considered governmental therefore exempt from ERISA

Question 2: Would you please provide the following data for the UNM Sandoval Regional Medical Center 403(b) and the two UNM Medical Group plans: A) The number of participants making/receiving a contribution B) The total number of participants that have a balance C) Annual contributions

UNMH Response to Question 2: A) UNM Sandoval Regional Medical Center 403(b) – 273 participants currently making contributions. B) 411 participants with a balance. C) 2017 YTD contributions are \$1,397,926.

Question 3: Will all of the assets for all plans transfer at transition? For any assets that won't transfer at transition, what are the encumbrances?

UNMH Response to Question 3: Yes, the UNM Hospital plan Stable Value Fund has a 12 month put option.

Question 4: Please confirm the RFP Vendor Questionnaire should be completed for only UNM Hospital Tax Sheltered Plan.

UNMH Response to Question 4: Correct

Question 5: Can you provide the name(s) of the service provider(s)/investment provider(s) for each of the plans listed in the RFP?

UNMH Response to Question 5: Fidelity, VALIC, Principal and Mercer

Question 6: Is the Vendor to provide separate pricing for the three organizations: UNMH, UNM Sandoval, and UNM Medical Group? Or are we to combine all seven plans under one recordkeeping arrangement?

UNMH Response to Question 6: Please provide separate pricing for each plan as laid out in the UNMH RFP Fee Worksheet.

Question 7: Is there a Guaranteed Minimum Interest Rate for the Stable Value funds in the three organizations? If so, what is it?

UNMH Response to Question 7: The Guaranteed Minimum Rate for the Stable Value fund is 1.00% in the UNM Hospital 403(b) plan and 0.00% for the UNM Hospital 457(b) plan.

Question 8: What is the market to book value ratio?

UNMH Response to Question 8: For the UNM Hospital 403(b), the market value of the Stable Value fund is \$109,361,291 and the contract value is \$107,822,445. For the UNM Hospital 457(b), the market value of the Stable Value fund is \$5,650,580 and the contract value is \$5,561,075.

Question 9: Can you provide the most recent rate of return?

UNMH Response to Question 9: The 2017 rate is 2.38% for the UNM Hospital 403(b) plan and 2.43% for the UNM Hospital 457(b) plan.

Question 10: Please provide three years of the Stable Value funds cash flow history, including contributions, withdrawals, transfers in and transfers out.

UNMH Response to Question 10: Cash flow history is not available; however at the end of 2013, the Stable Value had a balance of \$1.05 million in the UNM Hospital 403(b) plan. As of 6/30/17, the Stable Value fund has a balance of approximately \$ 1.09 million.

Question 11: Do any of the plans have an automatic enrollment feature?

UNMH Response to Question 11: Yes, the UNM Hospitals Tax Sheltered Annuity Plan has automatic enrollment at 2% pre-tax.

Question 12: What is the current revenue requirement each organization is charged?

UNMH Response to Question 12: Mercer has reached out to the organization that provided this question to seek clarification

Question 13: Should regulatory mailings or fee disclosures be included in pricing?

UNMH Response to Question 13: Plans are governmental plans not subject to ERISA.

Question 14: What is the expected/requested implementation date

UNMH Response to Question 14: July 2018

Question 15: Please provide the Contributions and Distributions by plan for the past 3 years.

UNMH Response to Question 15: The requested information is not available at this time.

Question 16: Please provide the participant data for each plan. We have only received this information for the UNMH plans. We will need the number of eligible employees, the number of total participants with a balance, the number active, the terminated with a balance, the number of outstanding loans, and the amount of assets in loans.

UNMH Response to Question 16: Please reference Question #2.

Question 17: What is the number of unique participants in the UNMH group? In the UNM Sandoval? In the UNM Medical Group? Across ALL plans?

UNMH Response to Question 17: The requested information is not available at this time.

Question 18: It was noted that UNMH is considering making some plan changes, such as re-enrollment of all employees. Should we price according to that condition? Can we assume that a total re-enrollment would be into our target date models?

UNMH Response to Question 18: Please do not assume either scenario when calculating pricing.

Question 19: It was noted that a key objective is open architecture that will allow UNMH to maintain their current fund options. Can we assume that we can replace the Met Life SV with our own SV fund?

UNMH Response to Question 19: Please provide pricing for both the current product and your preferred product

Question 20: Please provide fund-level breakdown and additional information such as that provided in Appendix 4 for UNM Sandoval Regional Medical Center 403(b) Plan, UNM Medical Group 457(b) Retirement Plan and UNM Medical Group 403(b) Plan.

UNMH Response to Question 20: Fund-level breakdowns were provided for all plans. Please see appendix items 2 and 3. Plan statistics and utilization numbers were available for the UNMH Hospital plans only.

Acknowledge receipt of this Addendum in the space provided in Exhibit A. Failure to do so may subject Offeror to disqualification.

All other provisions of the Proposal Documents shall remain unchanged. This addendum is hereby made a part of the Proposal Documents to the same extent as those provisions contained in the original documents and all itemized listing thereof.