



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 7, 2019

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Issue purchase order and enter into an agreement for Contract 19-RFP-13 Deferred Compensation Investment Consulting Services with Segal Advisors, Inc. d/b/a Segal Marco Advisors in an amount not to exceed \$117,000.00, Account 101-25000-612430, Requisition 1519718

Dear Sir:

Authorization is requested to issue a purchase order and enter into an agreement with Segal Advisors, Inc. d/b/a Segal Marco Advisors (Segal Marco) to provide deferred compensation investment consulting services for the period January 1, 2020 through December 31, 2022.

On June 26, 2019, Request for Proposal 19-RFP-13, Deferred Compensation Investment Consulting Services was publicly advertised. Fifty-nine (59) firms were notified and twenty-six (26) requested proposal documents. On July 26, 2019, the District received seven (7) responsive proposal from the following vendors: Cammack Larhette Advisors, LLC; Hyas Group, LLC; JH Ellwood & Associates, Inc.; Meketa Investment Group, Inc.; Mesirow Financial Investment Management, Inc.; NFP Retirement, Inc.; and Segal Marco.

The proposals were evaluated by staff from the Human Resources Department and the Procurement and Materials Management Department. The criteria for these evaluations were outlined in Request for Proposal 19-RFP-13 and included: understanding of the project, approach to the work, technical competence of the firm and assigned consultants, financial stability, compliance with insurance requirements, submission of licenses/permits, and cost. Following the preliminary evaluation of the proposals, all seven proposers were invited to a finalist interview.

Finalist interviews were held between September 27, 2019 and October 1, 2019. Interviews were conducted by the District's Deferred Compensation Committee. The Deferred Compensation Committee consists of the Chairman of the Committee on Finance; Treasurer; and Director of Human Resources. A solicitation was sent to the finalists on October 8, 2019 for an unqualified "best and final" offer. The "best and final" offer was returned to the Director of Procurement and Materials Management on October 11, 2019.

Based on the evaluation of the proposals using the criteria described above and the pricing provided in the "best and final" offers, the Deferred Compensation Committee has recommended that a contract for deferred compensation investment consulting services be awarded to Segal Marco. Segal Marco has approximately 900 client relationships with over \$500 billion in total assets under advisement. Of these clients, more than 40 are public sector deferred compensation plans with over \$43 billion in assets. Segal Marco was named 2018 Greenwich Associates Quality Leader among large U.S. investment consultants. They have a highly qualified team of investment consultants and research staff. Their proprietary approach to investment research is rigorous, repeatable and transparent providing the Deferred Compensation Committee with the resources it needs to make informed decisions regarding the investment lineup. As part of its services, Segal Marco will continue to provide fiduciary education to the Deferred Compensation Committee including a proposed

educational training day. They will also conduct a review of the District Investment Policy at the inception of the new contract and annually thereafter. As the incumbent, Segal Marco has a detailed knowledge of the District's Deferred Compensation Plan Document and Deferred Compensation Plan Investment Policy which guide the administration of the plan. In addition, they have been instrumental in assisting the District Deferred Compensation Committee during the recent request for proposal to select a new third party administrator for the deferred compensation plan. They will play a vital role during the implementation and ongoing oversight of the new vendor.

The Diversity Section reviewed the request for proposal and concluded that Appendix A and Appendix V would not be applicable given the scope of work and lack of MBE/WBE/VBE/SBE firms available to perform the requested services.

In view of the foregoing, it is requested that the Director of Procurement and Materials Management be authorized to award a contract to Segal Advisors, Inc. d/b/a Segal Marco Advisors in the amount of \$117,000.00. The estimated expenditures are \$39,000.00 in 2020, \$39,000.00 in 2021 and \$39,000.00 in 2022. Funds are contingent on the Board of Commissioners' approval of the District's budget for those years.

Recommended, Beverly K. Sanders, Director of Human Resources

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for November 7, 2019

Attachment