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April 7, 2010

**Noel Polanycia**  
City of Arvada  
Purchasing Division  
8001 Ralston Road  
P.O. Box 8101  
Arvada, CO 80001-8101

**RE: RFP No. 10-110**

**Request for Qualifications, Consultant Services, Retirement Fund Investments**

Dear Noel Polanycia:

It is our pleasure at **Buck** to present the **City of Arvada** our proposal for *Investment Consulting Services*. We have a significant amount of experience consulting to a wide range of clients including public sector entities, and we are excited to have the opportunity to be considered in this process.

Our investment consulting services are comprehensive yet cost and process efficient. We provide impartial services in support of your fiduciary commitment to your participants.

Please feel free to contact us at any moment of this process to help you with your decision.

Sincerely,

Jonathan P. Slinger  
Associate, Investment Consulting

Donald R. Eibsen, CFA  
Principal, Investment Consulting

Enclosure

## Table of Contents

A) Proposal Form .....	1
B) Statement of Interest/Executive Summary.....	5
C) Business Description .....	6
D) Experience.....	8
E) Staff Qualifications.....	9
F) Customer Service.....	13
G) Response to Anticipated Scope of Work .....	14
H) Litigation.....	17
I) Insurance.....	18
J) Contract.....	22
K) Negotiator.....	25
L) Fees/Pricing.....	25
M) Other Information.....	26

## A) Proposal Form

### PROPOSAL FORM - PAGE 1

**SUBMITTED BY:**

Company Name: Buck Consultants, LLC  
Address: 1200 17<sup>th</sup> Street Suite 1200 City: Denver,  
State: CO Zip: 80202 Phone: (720) 359-7700  
Facsimile: (720) 359-7701  
Email: Donald.Eibsen@BuckConsultants.com

**CERTIFICATION:** (If a Bid is Offered):

The undersigned hereby affirms that:

- He/she is a duly authorized agent of the Bidder;
- He/she has read the General Terms and Conditions, the Special Conditions and any technical specifications that were made available to the Bidder in conjunction with this Bid and fully understands and accepts these terms unless specific variations have been expressly listed on the Bid Proposal Form;
- The Submission being offered independently of any other Bidder and in full compliance with the collusive prohibitions specified in the General Terms and Conditions of this solicitation; and
- The Bidder will accept any awards made to them as a result of this Invitation for a minimum of ninety (90) calendar days following the date and time of the bid opening.

By: \_\_\_\_\_

MANUAL SIGNATURE OF AGENT

DATE

\_\_\_\_\_

Donald R. Eibsen, CFA \_\_\_\_\_

TYPED/PRINTED NAME OF AGENT

\_\_\_\_\_

Principal and Investment Consultant \_\_\_\_\_

TITLE OF AGENT

Include Original with Submission  
Affix Manual signature of Authorized Agent.

**NO OFFER:**

Indicate reason(s) why no offer is being submitted at this time.

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City of Arvada – SOLICITATION NO. 10-110

## **PROPOSAL FORM – PAGE 2**

### **Prompt Payment Terms:**

Discount: 0 % N/A Days

Net: 30 Days

### **Variations:**

The Bidder shall identify all variations and exceptions taken to the General Terms and Conditions, the Special Conditions and any Technical Specifications in the space provided below; provided, however, that such variations are not expressly prohibited in the Bid documents. For each variation listed, reference the applicable section of the bid document. If no variations are listed here, it is understood that the Bidder's Proposal fully complies with all terms and conditions. It is further understood that such variations may be cause for determining that the Bid Proposal is non-responsive and ineligible for award:

Page #: 8 Item # or Section: G. Re-Procurement Charges

Variance: We are not able to enter into agreements involving re-procurement fees. Our typical contract allows for clients to terminate our services with thirty (30) days advance notice for any reason. We request that this section/clause to be omitted from any final contract.

**City of Arvada – SOLICITATION NO. 10-110**

## PROPOSAL FORM – PAGE 3

### REFERENCES: (MANDATORY)

Reference 1	
[REDACTED]	[REDACTED]

Reference 2	
[REDACTED]	[REDACTED]

Reference 3	
[REDACTED]	[REDACTED]

**Terminated Reference 1**

[REDACTED]	[REDACTED]

City of Arvada – SOLICITATION NO. 10-110

## B) Statement of Interest/Executive Summary

Reviewing the investment advisory services available in the marketplace is a prudent move by the City of Arvada (the City), not only to ensure your ongoing fiduciary duty to participants but also to determine plan effectiveness. Buck believes you will find our response to this RFP in line with your needs for impartial, data-supported and experienced investment consulting support.

### Comprehensive, Proactive Services

The City's desire to offer your employees the best possible benefit package must be balanced against the need to manage plan cost. We appreciate the responsibility you feel and offer data-driven and practical investment consulting services in support of your employees' successful wealth management decisions.

Many of Buck's investment consulting clients offer participant-directed fund options, and we are well-versed in the needs of both defined contribution and deferred compensation plan designs.

Buck's combination of consultants focusing broad resources on your needs, in addition to our lengthy history providing investment consulting for clients of all sizes, makes Buck the most effective investment consulting choice. We have provided independent investment consulting services to such public funds as City of San Jose, City of Greeley, the Colorado Office of the State Auditor and would appreciate the opportunity to advise the City of Arvada regarding your plans as well.

Clients have told us that they select Buck as their investment consultants based on our high level of subject matter expertise, as evidenced by our extensive consulting backgrounds and our flexibility in providing tailored, relevant advice. We believe that as funds and plans grow in size and sophistication, they should use a separate investment advisor with no affiliation to any of the investment providers of the funds. This advisor should provide proactive investment advice and accept fiduciary responsibility for the services provided.

Buck's investment consultants use quantitative resources, including internal and external asset modeling resources, and institutional information from PSN, Morningstar, and eVestment Alliance to design the investment management structure and monitor performance. We add qualitative comments based on our industry knowledge and face-to-face manager research.

#### Buck offers:

- A streamlined approach that clearly outlines roles and responsibilities and makes efficient use of your resources
- Significant experience with other defined contribution and deferred compensation plans
- Cost-effective approach to pricing.

We have long track record of delivering Investment Consulting services with a roster of satisfied clients. We truly appreciate the opportunity to be considered in this process.

## C) Business Description

### **1. Brief Background**

Buck Consultants, LLC is a full-service human resource consulting firm specializing in helping organizations to achieve business results through people. **Buck was founded in 1916** primarily to assist governmental organizations in establishing funded retirement systems. Since then, Buck has grown to become a leading and highly trusted provider of services to more than 2,000 U.S. and nearly 3,000 global clients.

Buck's investment consulting division began in 1977 and is a registered investment advisor providing impartial consulting services defined by each client's specific needs.

### **2. Location(s), size, structure, resources, website**

Buck is a wholly owned independent subsidiary of Affiliated Computer Services, Inc (ACS). Buck employs over 1,850 professionals globally and more than 1,220 in the U.S. We deliver high-quality consulting and actuarial services to more than 3,000 clients. Buck has 26 offices in the U.S., including one in Denver, Colorado. Our headquarters is located in New York. Buck's Investment Consulting Practice operates out of Buck's offices in Denver, Pittsburgh, New York, Atlanta, Toronto and London. You can visit our website at [www.buckconsultants.com](http://www.buckconsultants.com).

We have significant technological resources to help us deliver investment consulting services. They include Evestment, Morningstar, Mellon Analytical Services, Zephyr, Bloomberg, fi360 and Buck's proprietary database of investment managers. In addition, we proactively look for additional resources to add to our consulting capabilities.

### **3. Major Services and Expertise**

We provide the full range of investment consulting services to our clients, including:

- Investment Manager Selection and Due Diligence
- Performance Evaluation and Monitoring
- Performance Attribution Analysis
- Investment Policy Statements
- Asset Allocation Modeling, Including Custom Target Date and Target Risk Solutions
- Bundled Provider Searches and Negotiation
- Analysis of Alternative Investment Options
- Fiduciary Training
- Investment Education
- And More

We confirm that we would be able to provide any and all of the services you are looking for in support of your retirement plans.

***4. Number of Current Clients***

Buck provides consulting services world-wide to over 3,000 clients. The Denver Investment Consulting practice currently serves approximately 30 clients.

***5. Disclose any business associations with any investment provider or financial product vendor by which your firm is compensated.***

At Buck, we go to great lengths to maintain our independence and preserve our objectivity. We do not receive any payments from third-party investment providers or investment managers. We bill our clients only in hard dollars, and this is our only revenue sources. In addition, we do not sell products or services to investment managers and we do not sponsor investment manager funded luxury conferences.

## D) Experience

We are experienced at providing the full scope of investment consulting services to governmental 401(a) and 457(b) plans. We are currently retained by the City of Greeley and the City of San Jose to consult to their 401(a) and 457(b) retirement plans. Our work for these clients has included:

- Investment Performance Evaluation
- Performance Attribution Analysis
- Investment Policy Statements
- Bundled Provider Searches and Negotiation
- Investment Education: Non-Traditional Asset Classes
- Watch List Reviews and Recommendations
- Mutual Fund Searches
- And more

We were also engaged by the Colorado State Auditor's office to review the state deferred compensation plan. This projected resulted in new state legislation based on our recommendations.

In addition, we have experience providing consulting services to a wide range of clients including corporate defined contribution plans, corporate defined benefit plans, public sector defined benefit plans, foundations, endowments, insurance companies, and high-net worth individuals. We believe that the breadth of our experience provides us with additional insight for all of our clients.

## E) Staff Qualifications

### DONALD R. EIBSEN, CFA

*Principal and Investment Consultant*

Don Eibsen is a Principal and head of the Investment Consulting practice for Buck's West Region. Don has 25 years of experience as a pension and investment consultant. Before joining Buck in 2000, he was a Principal with Mercer and head of its Denver Investment Consulting practice for 15 years. Don assists major employers in both the private and public sectors in addressing institutional investment issues.

#### EXPERIENCE

- Working with retirement plan sponsors, foundations, and endowments on the development of investment policies and objectives
- Developing asset allocation structures and asset/liability projections
- Evaluating and selecting investment managers and master trustees
- Performing ongoing evaluation of investment programs and performance results

#### CLIENTS

Don's consulting clients have included:

- American Humane Association.
- City of Greeley
- City of San Jose
- The Clayton Foundation
- The Colorado Trust
- Wyoming Retirement System
- Gates Corporation/Tomkins NA
- Huntsman Corporation
- Johns Manville Corporation
- State of Colorado

#### EDUCATION & ACHIEVEMENTS

- B.S. in Business Management and Marketing from Cornell University
- M.B.A. in Finance from the University of Colorado, Boulder
- Chartered Financial Analyst

## JONATHAN P. SLINGER

*Associate, Investment Consulting*

Jon Slinger is an Associate in the Denver office. His responsibilities include manager research and due diligence, asset-class research, producing customized client reports and presentations, and meeting with clients.

### EXPERIENCE

- Jon joined Buck in 2005, and after leaving to earn a master's degree Jon returned to Buck in 2008.

### CLIENTS

Jon's consulting clients have included:

- American Humane Association
- Bank of the West
- City of San Jose
- Contra Costa Water District
- Denver Water Board
- State of Alaska
- State of Colorado
- Wilbur Ellis Company

### EDUCATION & ACHIEVEMENTS

- MSc degree in Economics from the London School of Economics (Merit)
- B.S. degree in Mathematics from Colorado State University (*Summa cum Laude*)
- Passed the Level I and Level II Chartered Financial Analyst Exams

## **LEON H. TRAVIS**

*Investment Consultant*

Leon Travis is an Investment Consultant in the Denver office. He joined Buck in 2007.

### **EXPERIENCE**

- Valuation and analysis of all classes of investments
- Reporting of investment plan performance
- Creation of optimal portfolios based on risk, style, and cost preferences
- Specialization in research and understanding of exotic/alternative investment options
- Use of log-stable modeling to provide enhanced portfolio understanding

### **CLIENTS**

Leon's consulting clients have included

- Denver Water Board
- Johns Manville Corporation
- Huntsman Corporation
- Wyoming Retirement System

### **EDUCATION & ACHIEVEMENTS**

- M.B.A. in Finance from the University of Colorado, Colorado Springs
- B.S. in Mathematics and Physics from the United States Air Force Academy

## **ANDREE E. BARG**

*Senior Associate, Investment Consulting*

Andree Barg is a Senior Associate in the Denver office. She joined Buck in 2001. Before joining the Investment Consulting practice, she worked in the Health and Welfare practice.

### **EXPERIENCE**

- Investment performance evaluation analysis
- Investment performance reporting
- Bundled provider search and proposal analysis
- Investment manager selection

### **CLIENTS**

Andree's consulting clients have included:

- Bank of the West
- The Colorado Trust
- Contra Costa Water District
- Huntsman Corp.
- Johns Manville Corporation
- Wyoming Retirement System

### **EDUCATION & ACHIEVEMENTS**

- B.S. in Business Administration from the University of Colorado
- M.B.A. in Health Administration from the University of Phoenix

## F) Customer Service

At Buck, we recognize that our clients make important decisions based on our advice, and we take that responsibility very seriously. Buck's consultants serve clients first. Only by assessing your needs from all points of view can your Buck team engineer successful solutions. Our relationship management approach and structure is designed to ensure that we are providing timely, quality service that meets or exceeds your expectations.

We understand that client's have a choice when it comes to their selection of an investment consultant, and that responsive customer service is necessary to develop long-lasting relationships with our clients. It is not sufficient to give high-quality investment advice; a high-level of customer service is also an important part of our business model.

We also understand that public sector plan sponsors often have different customer service standards than corporations. We are experienced working for public entities and we are confident that we can effectively deliver investment consulting services to your organization.

To serve clients well it is important to understand them well. To that end we invest a tremendous amount of time and energy at the beginning of a client relationship to develop a deep understanding of our clients' goals, concerns, organizational cultures and preferred methods of communication. We are listeners. We have found that listening leads to understanding, and understanding leads to higher levels of customer service and greater client satisfaction. We strive to provide all of our clients with a high-level of customer service on a daily basis.

## **G) Response to Anticipated Scope of Work**

### ***Objectively review the historical investment performance of the investment options offered by each plan***

This is a core service that we provide for nearly all of our investment consulting clients. We compare performance with peer groups of similar funds as well as with passive indexes. We add value by incorporating attribution analysis into our reports to help explain why performance was good or bad.

### ***Compare investment options to peer group investment alternatives using the same objective criteria***

This is a core component of our investment performance evaluation reports and our investment consulting services. We believe that it is important to compare performance to a peer group of similarly managed funds, as well as to a passive index.

### ***Offer recommendations with respect to possible investment alternatives and/or additional investment options, with respect to the current portfolio***

We may recommend that an investment option be terminated from a client's retirement plan for a variety of reasons which can include any of the following: poor performance, portfolio manager or analyst turnover, changing/inconsistent investment process or style, portfolio size (too big and too small), organizational instability, complacency or unreasonable fee increases. When we recommend a fund or investment option is terminated, we conduct a formal search for a replacement fund and our recommendation is the result of a detailed analysis of alternative investment options. In addition to looking at historical performance and other quantitative measures, we also meet with fund managers regularly to develop a deeper understanding of their investment processes. In addition to recommending replacement options, our clients also look to us to give advice on non-traditional investments and asset-classes. For example, the role of inflation-protected investments in defined contribution plans has become an active topic, and we have provided education and recommendations on these investments to boards and committees.

### ***Provide education to plan participants regarding fund performance, changes, additions, and other topics requested by the board(s)***

We are able to provide education sessions both to boards/investment committees and to groups of interested participants. We are experienced communicators and we have been successful and at presenting complex investment ideas to groups with mixed levels of investment expertise. Our existing clients have varying level of investment knowledge and we are comfortable speaking in front of boards and groups of plan participants.

### ***Assist board members with special projects as necessary***

We have extensive experience working on special projects for a wide range of clients.

## Defined Contribution Services

**Independent, fee-for-service advice** is the underlying core to our philosophy of offering proactive consulting to our defined contribution (DC) clients. Included in our base fee is a performance review on a monthly and quarterly basis and commentary on managers, market conditions, fees, revenue sharing and regulatory or governance issues that affect your plan.

Buck's monitoring reports provide a particularly comprehensive overview – not just limited to a fund's investment returns. We offer the City substantial expertise and data that our firm's research resources collect regarding regulatory issues, design – such as plan options using annuity builder accounts – and the software we buy or develop to review governance aspects of funds and plans.

We bring a **range of services across the spectrum of defined contribution issues**. Beyond the core investment services requested in your scope of services, we also offer assistance to understand and fully comply with fiduciary obligations as well as responsive consulting that addresses The City's needs from a context specific to your business and employee needs. Your Buck team understands well the importance of a robust retirement plan design in support of your recruitment and retention needs.

Given our experience with other defined contribution plan sponsors, we will be able to share best practices to help The City avoid potential pitfalls and focus directly on operating a robust and efficient defined contribution plan. We find that our ability to add defined contribution retirement consultants and experienced tax & legal consultants meets our DC clients' diverse and evolving needs, especially in light of recent lawsuits specific to DC plans and market losses in the current economic environment.

We also offer **tailored informational education for our investment committee clients**. The level of investment knowledge varies not only from client-to-client but often within a single investment committee, so it is not practical to identify specific educational needs in advance of an initial meeting with The City. While the proposed investment team is well-versed in the spectrum of investment and retirement topics, they will be supplemented by an attorney from Buck's tax and legal group. We also understand that in these recent tumultuous economic times, your Investment Committee, as well as employees, may need additional information and education regarding options available, as well as lessons learned from times of economic difficulty. We are prepared to meet your needs, both now, and through an evolving consulting relationship, helping your Committee members, staff and employees to understand and value The City's available retirement savings options.

Together with Buck's Retirement consultants, Buck's investment divisions provides ***DC plan sponsors and fiduciaries with a knowledgeable, independent source of advice for effective oversight and management of this important employee benefit.*** While our capabilities cover all facets of design, funding, administration and communication, our services are categorized under two broad components:

- Providing support for your recurring plan management and oversight activities
- Project specific analysis and support to address specific issues as needed.

Our plan management services assist you to execute good governance processes and obtain maximum value from plan investments, designs, and vendor services. Buck's project based services provide analytical and broader market awareness to decide and implement plan-appropriate improvements or resolve specific plan management issues.

## H) Litigation

To our knowledge, Buck is not party to any litigation that will materially affect its ability to perform the services required by this request for proposal. In the normal course of operations, Buck becomes involved, from time to time, in commercial litigation, as either a plaintiff or a defendant. The number of cases is small, and the cases involve disputes on matters of payment, breach of contract, alleged negligence, employment and similar matters common to employers doing business in the United States. No pending cases are, in Buck's judgment, material or likely to have any adverse impact on Buck's ability to perform the requested services.

To the best of our knowledge and belief, Buck and/or its principals/owners/officers have not been the subject of any regulatory action relating to consulting activities.

Buck Consultants' long-term track record involves fewer, and less severe, claims than any other leading actuarial and employee benefit consulting firm. Our record is unmatched among the industry's leading actuarial and benefit consulting firms. No claim in Buck Consultants' history has resulted in a payment under its E&O insurance policies.

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