

2.0

SCOPE OF SERVICES

2.1

This scope of services is not an exhaustive list of required services. The Offeror should evaluate the services needed based on knowledge and experience in providing investment consulting services to public employer sponsors with similar programs and include a description of all services the Offeror anticipates providing or deems necessary. Each proposal submitted pursuant to this Request for Proposals shall include at a minimum the following:

2.1.1

A detailed review of the Offeror's qualifications to review and monitor investment options in deferred compensation and defined contribution plans established by public employer sponsors pursuant to the Internal Revenue Code. The number of years of relevant experience of the firm must be provided.

Bolton Partners Investment Consulting Group, Inc. ("Bolton Partners") is headquartered in Baltimore, Maryland. We were formed in 1994, and we have been providing investment consulting services and monitoring services to defined contribution plans for 15 years.

Bolton Partners is experienced in designing, implementing and monitoring solutions for public sector defined contribution programs. In particular, we assist school systems and state and local governments with the evaluation and monitoring of their defined contribution programs.

All work for the County would be conducted by staff in our Baltimore headquarters. Approximately 60% of our business is with governmental plans, many of whom are K-12 systems and county governments. We currently monitor the investment options for approximately 40 retirement plans.

We have completed many assignments which are similar to the Scope of Service for the County, and our references will attest to the quality and timeliness of our work. In addition to the performance monitoring and vendor search services requested, we pride ourselves on identifying actual and projected changes in federal and state regulations which affect defined contribution plans. This information should assist the County in making any necessary Plan changes in order to remain compliant with relevant tax codes.

We pride ourselves on our independence. We are not affiliated, either directly or indirectly, with mutual funds, investment managers, or other associated businesses. We serve as a fiduciary for our clients, and we are willing to commit to this contractually.

Staff: We have experienced staff and software resources to provide the materials and services in the size and scope delineated in this RFP. Our staff includes 2 CFA charterholders. We pride ourselves on maintaining a low client-to-consultant ratio, ensuring our immediate accessibility for client needs.

Software: We subscribe to external software for investment manager data in order to avoid any potential conflicts of interest. We utilize Morningstar and eVestment Alliance software for performance monitoring of investment managers.

We are including a sample report as a separate document to demonstrate our capabilities.

We hope you will find our proposed solution to be the most advantageous to the County for the following reasons:

- Our experience working for the County over the past 8 years;
- Our 15 years of experience working with public entities in Virginia on the same type of project;
- Our independence and our ability to act contractually as your co-fiduciary;
- Our knowledge of the defined contribution marketplace including 457(b), 403(b), and 401(a) plans;
- Our ability to act as your advocate to obtain the best terms from your plans' providers;
- Our preference to work on a flat-fee schedule;
- Our access to leading defined contribution attorneys and industry experts; and
- Our accessibility and our reliability in meeting deadlines.

Bolton Partners Investment Consulting Group, Inc. is a registered investment advisor, and our Form ADV Part II is available upon request.

2.1.2 The names of the staff who will be providing services, and a description of their proposed roles, education and experience with the Offeror and elsewhere.

We take a team approach to each assignment. Mike Beczkowski would be the lead consultant for this assignment. The key members assigned to this project would be:

- Carol Boykin, CFA, President;
- Michael P. Beczkowski, MSF, Senior Defined Contribution Consultant;
- Donald Lybrook, MSF, Director of Research and Senior Consultant; and
- Clyde Randall, CFA, Senior Analyst and Consultant.

Carol Boykin, CFA is the President of Bolton Partners Investment Consulting, Inc. She has 25 years of investment experience and focuses on advising Defined Benefit and Defined Contribution plans. Prior to joining Bolton Partners in 2004, Ms. Boykin held senior positions with several large pension plans. She was Chief Investment Officer of the Maryland State Retirement System, Deputy Chief Investment Officer of Lucent Asset Management, and Securities Investment Officer (head of the investment division) of the New York State Teachers' Retirement System. Prior to that, she managed money for an insurance company.

Ms. Boykin is a CFA charterholder, and she holds a Masters in Finance from Loyola College and a BA in Economics from Emory University. Ms. Boykin is a Board member and Past President of the Baltimore CFA Society. She is a member of the Washington Association of Money Managers and CFA Institute. Carol is also a Grader for the CFA Examinations.

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2.1.3 A list of contracts under which similar services were performed by the Offeror within the past five years and a list of references which the County may contact.

Carroll County Government

401(k) plan

Bill Bates

Bureau Chief Benefits Administration

(410) 386-2129

wbates@ccg.carr.org

Frederick County Government (Maryland)

Defined Benefit plan, 457(b) plan, and OPEBs

Tracy Lobuts

Assistant Director, Human Resources

12 East Church Street

Frederick, MD 21701

(301) 694-1786

tlobuts@fredco-md.net

Harford County Public Schools (Maryland)

403(b) & 457(b) plans

Mr. John M. Markowski, CPA, CGFM, RSBO

Chief Financial Officer

102 South Hickory Avenue

Bel Air, MD 21014

(410) 588-5243

John.Markowski@hcps.org

City of Manassas Public Schools (Virginia)

403(b) & 457(b) plans

Ms. Susan Bowers

Benefits Analyst

9000 Tudor Lane

Manassas, VA 20110

(571) 377-6040

sbowers@mail.manassas.k12.va.us

Prince William County Public Schools (Virginia)

403(b) & 457(b) plans

Deborah Sparks

Director of Benefit & Retirement Services

14715 Bristow Road

Manassas, VA 20112

(703) 791-8726

sparksdj@pwcs.edu

Richmond Public Schools (Virginia)

403(b) & 457(b) plans

Mr. Trent Jones

Manager, Benefits and Risk Management

1004 Mosby Street, Round A

Richmond, VA 23223

(804) 780-8235

tjones2@richmond.k12.va.us

Roanoke County Public Schools (Virginia)

403(b) plan

Penny Hodge

Assistant Superintendent of Finance

5937 Cove Road

Roanoke, VA 24019

(540) 562-3900 x 10161

phodge@rcs.k12.va.us

- 2.1.4 A detailed description of the proposed method of providing financial advisor services, including advice on administration, governance, analysis, selection and monitoring of funds. If applicable, information should be included as to other related services which could be provided on request, or which should be provided in the course of proper administration of the plans.**

PROJECT METHODOLOGY

Our response to this section will focus on our Project Methodology for each element of the County's Detailed Project Scope for this RFP. For the most part, we have organized this section in the same order as the Detailed Project Scope, and we have identified the corresponding section of the Detailed Project Scope.

Investment Policy Statement ("IPS")

Section 2.2.1 of Detailed Project Scope

Bolton Partners worked with the County Staff to develop and implement the IPS, which is currently in place. We think the IPS is working well for the County. On an ongoing basis, we review and evaluate the IPS documents for our clients in an effort to identify areas for enhancement and/or modification. In particular, our best practices focus will be on ensuring that the IPS addresses applicable changes in regulations, laws, and Internal Revenue Code requirement.

We note that the project scope in this area of the RFP also calls for determination or validation of the asset classes, which are included in the Plans. This requirement is contingent upon option availability on the vendor's platform. In the past, we have succeeded in helping the County add a passive fixed income option (index fund). Going forward, the County may also wish to explore the possibility of adding a TIPS (Treasury Inflation Protected Securities) option.

Compliance of Investment Options with IPS

Section 2.2.2 of Detailed Project Scope

Based on feedback from County Staff, we recently modified the format of our monitoring reports to link them to the IPS by identifying whether or not each option (investment manager) meets key criteria in the IPS. This is a helpful tool to check manager compliance with IPS criteria.

Investment Performance Monitoring:

Sections 2.2.3 and 2.2.5 of Detailed Project Scope

We will conduct an ongoing monitoring program to ensure that the funds are meeting the objectives set forth by the Investment Policy Statement. Semi-annually, we will deliver a written and oral report, which summarizes the status of the Plans and the performance if the options in the plans. We will determine

whether or not the options in your plans are meeting the IPS criteria. We will also identify asset class style gaps and/or overlaps and recommend action to correct these issues. For example, if a small cap manager becomes a mid cap manager due to market appreciation, there might be a need to search for a new small cap manager and/or eliminate a redundant mid cap manager.

For each reporting period, our review of each investment manager will focus on explicit performance as well as factors, which can affect performance such as changes to the investment manager's team, firm and process. We will compare each investment manager's performance against relevant benchmarks and peer groups. Our review will also identify any significant deviations in a manager's stated investment style, turnover in key personnel, and the competitiveness of the program fees. The review will highlight managers that may be significantly under performing their benchmarks and peers. Should the funds not meet the requisite quantitative and/or qualitative performance goals, we will identify the reason for noncompliance with the Investment Policy Statement. This could lead to a recommendation to replace an option/manager.

We distinguish our monitoring reports from others in the industry by focusing on "why" a particular manager out performed or under performed for the reporting period. Our reports will help the County clearly understand how key factors (such as risk, sector weightings, and stock selection) contributed to a manager's performance. The final goal of our investment monitoring report is to issue a fiduciary opinion on the prudence of each investment option.

A sample investment monitoring report has been included with our response to this RFP.

Manager Watch Listing and/or Termination

Sections 2.2.3 and 2.2.5 of Detailed Project Scope

Our mission is to ensure that the Committee is meeting its fiduciary responsibility by ensuring that participants have access to a prudent line-up of mutual funds. From time to time, a manager may no longer be deemed prudent if they do not meet the criteria in the Investment Policy Statement ("IPS").

Our investment monitoring reports include charts, which show how each manager is performing relative to each criterion in the IPS.

If a manager is not meeting key criteria, they are placed on the Watch List. The duration of staying on the Watch List varies for most of our clients' managers and is often treated on a case-by case basis. If the lead portfolio manager departs, for example, immediate replacement could be recommended. If the manager is under performing their benchmark and most other managers with the same style are also under performing the same benchmark, the manager is more likely to stay on the Watch List.

The following is a list of factors, which often guides determination of terminating a manager or placing it on the Watch List:

- Change in ownership structure of the firm;
- Departure of key investment management personnel;
- Change in the investment process and investment style;
- Deterioration of investment performance relative to the benchmark;

- Deterioration of investment performance relative to a relevant peer group;
- Significant gains or losses in assets under management;
- Changes in a manager's expenses; and
- Regulatory issues (FINRA or SEC).

Manager Searches

Sections 2.2.3 and 2.2.5 of Detailed Project Scope

When a fund is deemed to be deficient and we are instructed by the County to identify potential replacements, we will work closely with the vendor to identify replacement options, which are available on their recordkeeping platform. Once the vendor identifies the available options, we will begin our due diligence process to identify the most competitive options from that group. Our goal is to identify options, which best meet the criteria for the search.

As part of our manager search process, we evaluate both quantitative and qualitative factors. In addition to looking at a manager's past performance against peers and benchmarks, our process focuses on an evaluation of a manager's investment process, style purity and consistency, depth of investment staff, and management fees. We subscribe to two databases to assist with the screening process: Morningstar and eVestment Alliance.

Our research usually results in narrowing the list to three or four options. We then prepare a written report, which compares and contrasts these finalists across several categories. In addition to comparing each investment manager's performance to relevant benchmarks and peer groups, we consider factors, which contribute to performance such as:

- The clarity of the investment manager's investment process;
- Any significant deviations in a manager's stated investment style;
- Changes in sector (industry weightings) over time;
- Changes over time in the risk profile of each fund;
- Depth and turnover of key investment personnel;
- Significant changes to the amount of product assets under management; and
- Competitiveness of fees.

Our written reports conclude with our findings and recommendations. This is typically discussed at a Committee meeting where a senior consultant reviews our written report. The result of the meeting is usually the identification of the replacement manager. Once the new manager has been selected, we will work with the County and the vendor to determine the next steps to implement and communicate the changes.

Expense Audit

Section 2.2.4 of the Detailed Project Scope

We can conduct an annual evaluation of the vendor's revenues and expenses for the County's program. This evaluation will focus on a reconciliation of all of the Plans' implicit and explicit fees, costs, and other plan charges which are received and incurred by the vendor. In many cases, our clients have benefited from this review by identifying cases where the vendor was receiving more revenue than was needed to administer the plan(s). The result of this analysis can be a reduction in administrative charges to a plan and/or availability

of lower cost mutual funds. For example, it might be possible to retain the same mutual fund, while accessing a less expensive share class.

OTHER SERVICES

VENDOR SEARCH

Section 2.1.6.3

Our vendor searches may include, but are not limited to:

- Drafting and issuing RFPs to identify vendors, who meet the client's unique objectives and constraints;
- Evaluating responses to RFPs from vendors;
- Vendor selection & interviewing finalists;
- Reviewing the proposed line-up of investment options; and
- Program implementation.

Drafting the RFP

Our vendor searches begin with a kickoff meeting with the client to identify their unique needs and constraints.

Evaluating the RFP Responses

The vendor responses to the RFP will enable Bolton Partners and the County to make an “apples-to-apples” comparison of several aspects of the vendors’ programs including, but not limited to, program fees, investment performance, financial standing, communications (including on-site support), and recordkeeping. These factors will be weighed by Bolton Partners’ proprietary scoring system, resulting in a ranking of all of the vendors’ responses. This scoring system will incorporate input from the County regarding the relative importance of each factor to the County, so that the final rankings reflect the vendors who are best able to meet the needs of the County.

Through our 15 years of evaluating 403(b), 457(b), and 401(a) plans, we have found some significant differences among vendor programs. Some of the differentiating characteristics that the RFP focuses on include:

- Defined contribution experience;
- Professional fee schedule;
- Contractual provisions (death benefits; surrender charges, market value adjustments etc);
- Accessibility to superior investment options;
- Credential and compensation schedule of proposed representatives;
- On-site support for participants;
- Credit rating analysis;
- Soundness of record keeping system; and
- Identification of any vendor lawsuits/conflicts of interest.

Once Bolton Partners has evaluated the results, then we will deliver a written report and conduct a meeting, which identifies our findings and methodology for evaluating the responses.

Selecting & Interviewing Finalists

Bolton Partners will meet with the evaluation committee. During this meeting, Bolton Partners will seek input from the Committee on its report, and finalists will be recommended. Once finalists have been selected, a day of interviews can be scheduled with these vendors. Bolton Partners can attend finalist presentations and assist with evaluating the vendors, who best meet the needs of the County program.

Subsequent to finalist presentations, we typically assist our client (the County) with negotiations with the successful vendor. Negotiations can result in changes to pricing as well as changes to other components of the proposals (features and terms). We can help the County analyze the results of these negotiations in order to identify and select the provider, which best meet the needs of the County.

The overall process (issuing the RFP and selecting vendor) typically takes 12-14 weeks to complete.

Confirming the Line-up of Investment Options

Bolton Partners can assist with confirming the prudence of the investment manager options, which are proposed by the winning vendor. Quite often, there can be significant changes to the mutual funds in the investment line-up if a new vendor is selected. This is also possible if the incumbent vendor is selected, particularly if the program pricing has changed. Bolton Partners is an SEC registered investment advisor, which allows us to render an opinion regarding the prudence of these investment options for the County and its participants. Our opinion is based on several factors including, but not limited to, a review of each manager's performance versus benchmarks and peer groups, investment process, portfolio management team, and ability to generate competitive returns in the future. We will help the County determine whether the investment managers proposed by the vendor are prudent options. If not, we will work with the County and the vendor to identify other appropriate options. We can conduct a meeting with the County to review our findings.

Program Implementation

After the initial investment line-up has been finalized and approved, we can work with the County and the selected vendor to implement the new program. This can include either a conference call or an in-person meeting with the County, Bolton Partners and the vendor. At this time, the vendor will review all of the administrative and communication assignments that need to be completed in order to get the new program operating by a certain date.

Since the upcoming changes may be unfamiliar to the County employees, Bolton Partners can conduct seminars to discuss the changes. The vendor typically conducts most of the enrollment and one-on-one seminars; and the vendor develops the communication materials. Employees are also encouraged to ask questions pertaining to the defined contribution plans as well as general investment topics. Our clients have found these seminars to be extremely useful formats to communicate changes to the program.

We can also assist with contract and document review as part of the implementation process.

2.1.5 Review and evaluation the County's current Investment Policy and provide suggestions for improvements.

We have provided detail on our IPS methodology, particularly with regard to manager compliance, in response to Section 2.1.4 of this RFP.

The key to ensuring that the County meets its objectives depends upon developing, implementing, and following a sound Investment Policy Statement ("IPS").

The ongoing review of the Investment Policy Statement is one of the Board's most important fiduciary duties. The Investment Policy Statement should include several key parts including the Plan's mission, background, current status, investment alternatives, investment objectives, fund selection, and performance reviews. Emphasis will be placed on the guidelines for investment manager selection, monitoring and termination. Finally, we will review and recommend appropriate control procedures and outline the roles of the plans' fiduciaries.

2.1.6 A statement of the fees for the following services:

Please see Tab IV.

2.2 Detailed Project Scope

We have provided a detailed explanation of our project methodology for each of the items in the Detailed Project Scope as part of our response to Section 2.1.4 of this RFP.

2.3 Conflict of Interests

2.3.1 Do you or a related company have relationships with fund managers that you recommend, consider for recommendation, or otherwise mention to the plans for consideration? If so, describe those relationships.

No. We do not have any relationships with the fund managers that we recommend, consider for recommendation, or otherwise mention to the Plans for consideration. We do, however, have some clients (including the County) who use revenues from their fund managers to pay for some of their plan expenses.

Bolton Partners receives 12b-1 commissions from the fund managers for three (3) of its clients. These three clients use 12b-1 revenues to pay plan expenses which include, but may not be limited to investment consulting fees. We monitor the amount of commissions received and compare the balance to the fees that are owed for our invoices. If the amount of commissions exceeds our quoted fee schedule, the credits can be applied toward other permissible plan expenses.

Some of our clients also use revenue which *they* receive from their plan's fund managers (ex. Growth Fund of America) or vendors (ex. Lincoln Financial Group) to pay our invoices. These payments, when combined

with the 12b-1 commissions identified in the prior paragraph, represent approximately one third of our revenues.

Our recommendations for selection, retention and termination of fund managers are typically not influenced by the manager's ability to pay 12b-1 fees. Upon certain occasions, we are instructed by our clients to limit selection of fund managers to those who generate revenue which is adequate to meet the plan's revenue requirement. The revenue requirement is usually determined by the plan's vendor.

In all of these cases, our clients are using plan revenues to pay for plan expenses.

2.3.2 Do you or a related company have contractual or other similar relationships with record keepers or administrators or receive fees from those sources? If so, describe those relationships and state the amount/s of annual fees.

No. We do not have contractual or other similar relationships with record keepers or administrators or receive fees directly from those sources. In some cases, as described in our response to the preceding question (Section 2.3.1), we receive payment for our fees indirectly from the vendor for a plan. This is the case for our current contract with the County. We have a contract with the County, and the vendor (Lincoln Financial Group) also has a contract with the County. We submit our invoices to the County, the County confirms that services were rendered, and the vendor (Lincoln Financial Group) sends us a check. We believe that Lincoln is in the process of refining this procedure so that future payments to us will come from the Plans' custodian (Wilmington Trust Company). For this to occur, a contract amendment would be required for the contract between the County and the vendor (Lincoln Financial Group).

2.3.3 Do you or a related company receive any payments from fund managers you recommend, consider for recommendation, or otherwise mention to the plan for consideration? If so, what is the extent of these payments in relation to your other income?

No. We do not receive any direct payments from fund managers you recommend, consider for recommendation, or otherwise mention to the plan for consideration. We do, however, have some clients (including the County) who use revenues from their fund managers to pay for some of their plan expenses. These payments represent approximately one third of the revenues of Bolton Partners Investment Consulting Group, Inc.

Bolton Partners receives 12b-1 commissions from the fund managers for three (3) of its clients. These three clients use 12b-1 revenues to pay plan expenses which include, but may not be limited to investment consulting fees. We monitor the amount of commissions received and compare the balance to the fees that are owed for our invoices. If the amount of commissions exceeds our quoted fee schedule, the credits can be applied toward other permissible plan expenses.

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In all of these cases, our clients are using plan revenues to pay for plan expenses.

2.3.4 Do you have any policies or procedures to address conflicts of interest or to prevent these payments or relationships from being considered when you provide advice to your clients?

Yes. As an independent consulting firm, we have established policies and procedures to avoid conflicts of interest. We have modeled our Gift Policy after a similar policy, which CFA Institute uses for their own staff. Our Ethics Policy incorporates the CFA Institute Standards of Practice and Code of Conduct.

2.3.5 If you are hired, will you acknowledge in writing that you have fiduciary obligations as an investment advisor to the plans while providing advisory services we are seeking?

Yes. We are willing to serve contractually as a co-fiduciary for the County, and we are willing to be held to the ERISA fiduciary standard.

2.4 Offerors shall include in the Proposal a description of any significant task not listed in the Scope of Services which they know to be necessary either as reimbursable expenses under the Contract or as a service to be contracted for separately by the County.

We have included a description of our Vendor Search services under our response to Section 2.1.4. This service is requested in Statement of Fees Section 2.1.6.3 of this RFP, but it was not included in the Detailed Project Scope.

4.2.3 Project Schedule

Provide a time line and schedule for completion of this project, highlighting critical points in the process.

Please see Tab III.

4.2.6 Cost of Services

Please see Tab IV.

4.2.7 Insurance

4.2.7.1 A sample insurance certificate submitted as part of the proposal is the preferred method of indicating coverage.

Please see Tab V.

Timeline: Starting in March 2013

- **Weeks of March 4th:** Collect plan data from the County and Lincoln
Bolton Partners drafts customized RFP
The County reviews and approves RFP draft
- **Week of March 18th:** Bolton Partners releases the RFP to vendors
- **Week of April 15th:** The County collects responses and forwards to Bolton Partners
- **Week of May 27th:** Bolton Partners presents report to the County
- **Week of June 3rd:** Conduct finalist interviews
- **Week of June 3rd:** Bolton Partners negotiates with finalists; vendor is selected
- **Week of June 17th:** Bolton Partners presents fund lineup and “mapping” strategy for approval
- **Week of June 17th:** Kick off meeting with new vendor
- **June – August:** Vendor works with the County to communicate new program
- **September 1, 2013:** Commencement of contract with new administrator



Semi-Annual Monitoring and Expense Audit

- Approximately 45-60 days after the reporting period, we will deliver the monitoring report and an expense audit that will:
 - Compare each fund's expense ratio to its peers;
 - Evaluate administrator's cost structure
 - Revenue received from investment options & program fees;
 - Expenses incurred to provide program.
 - Identify potential surplus and use fee credits to enhance plan:
 - Reduce or eliminate administrative fees;
 - Utilize lower cost options.
 - Compare HCG's plans to other entities in the area

We hope you will find our proposed solution to be the most advantageous to the County for the following reasons:

- Our experience working for the County over the past 8 years;
- Our 15 years of experience working with public entities in Virginia on the same type of project;
- Our independence and our ability to act contractually as your co-fiduciary;
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401(k) plan

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Mike is responsible for vendor searches for defined contribution plans, with an emphasis on identifying the optimal providers of investment, communications and recordkeeping services to meet each client's unique needs. Mike also serves in a client service and marketing capacity.

Mike is a member of the National Tax Sheltered Annuity Association, and he holds multiple NASD licenses including Series 7, 24, 63, and 65. Prior to joining Bolton Partners, Mike was employed by T. Rowe Price.

Mike received a Bachelor of Arts from Loyola College in 1991, and he received a Master in the Science of Finance ("MSF") from Loyola College in 1995. He is an advisor to the Loyola College SAP Fund, and he is a Level II CFA candidate.

Donald E. Lybrook, MSF is a Senior Consultant and Director of Research with Bolton Partners Investment Consulting Group, Inc. He focuses on monitoring investment managers, asset allocation, investment policy statements and manager searches. Mr. Lybrook has a broad based financial services industry background. He graduated summa cum laude from Loyola College with a degree in Mathematics. He received a Masters of Science in Finance from University of Baltimore and was inducted into the Beta Gamma Sigma, a distinguished business honor society. Don holds Series 6, 63 and 65 licenses. Prior to joining Bolton Partners, Don developed financial and actuarial models for both ERISA qualified and non-qualified plans. Don joined Bolton Partners in 1999.

Clyde Randall, CFA is a Senior Analyst and Consultant. He focuses on monitoring mutual funds and conducting manager searches. Prior to joining Bolton Partners Investment Consulting Group, Inc. in 2007, Clyde spent over twenty years in equity analysis and portfolio management, first at Mercantile Safe Deposit and Trust and then at Allied Investment Advisors. His experience has included working in value, core and growth styles with large, mid and small capitalization products. Clyde is a graduate of the University of Vermont with a B.A. in Political Science, and he is a member of CFA Institute.

2.1.3 A list of contracts under which similar services were performed by the Offeror within the past five years and a list of references which the County may contact.

Carroll County Government

401(k) plan

Bill Bates

Bureau Chief Benefits Administration

(410) 386-2129

wbates@ccg.carr.org

Frederick County Government (Maryland)

Defined Benefit plan, 457(b) plan, and OPEBs

Tracy Lobuts

Assistant Director, Human Resources

12 East Church Street

Frederick, MD 21701

(301) 694-1786

tlobuts@fredco-md.net

Harford County Public Schools (Maryland)

403(b) & 457(b) plans

Mr. John M. Markowski, CPA, CGFM, RSBO

Chief Financial Officer

102 South Hickory Avenue

Bel Air, MD 21014

(410) 588-5243

John.Markowski@hcps.org

City of Manassas Public Schools (Virginia)

403(b) & 457(b) plans

Ms. Susan Bowers

Benefits Analyst

9000 Tudor Lane

Manassas, VA 20110

(571) 377-6040

sbowers@mail.manassas.k12.va.us

Prince William County Public Schools (Virginia)

403(b) & 457(b) plans

Deborah Sparks

Director of Benefit & Retirement Services

14715 Bristow Road

Manassas, VA 20112

(703) 791-8726

sparksdj@pwcs.edu

Richmond Public Schools (Virginia)

403(b) & 457(b) plans

Mr. Trent Jones

Manager, Benefits and Risk Management

1004 Mosby Street, Round A

Richmond, VA 23223

(804) 780-8235

tjones2@richmond.k12.va.us

Roanoke County Public Schools (Virginia)

403(b) plan

Penny Hodge

Assistant Superintendent of Finance

5937 Cove Road

Roanoke, VA 24019

(540) 562-3900 x 10161

phodge@rcs.k12.va.us

- 2.1.4 A detailed description of the proposed method of providing financial advisor services, including advice on administration, governance, analysis, selection and monitoring of funds. If applicable, information should be included as to other related services which could be provided on request, or which should be provided in the course of proper administration of the plans.**

PROJECT METHODOLOGY

Our response to this section will focus on our Project Methodology for each element of the County's Detailed Project Scope for this RFP. For the most part, we have organized this section in the same order as the Detailed Project Scope, and we have identified the corresponding section of the Detailed Project Scope.

Investment Policy Statement ("IPS")

Section 2.2.1 of Detailed Project Scope

Bolton Partners worked with the County Staff to develop and implement the IPS, which is currently in place. We think the IPS is working well for the County. On an ongoing basis, we review and evaluate the IPS documents for our clients in an effort to identify areas for enhancement and/or modification. In particular, our best practices focus will be on ensuring that the IPS addresses applicable changes in regulations, laws, and Internal Revenue Code requirement.

We note that the project scope in this area of the RFP also calls for determination or validation of the asset classes, which are included in the Plans. This requirement is contingent upon option availability on the vendor's platform. In the past, we have succeeded in helping the County add a passive fixed income option (index fund). Going forward, the County may also wish to explore the possibility of adding a TIPS (Treasury Inflation Protected Securities) option.

Compliance of Investment Options with IPS

Section 2.2.2 of Detailed Project Scope

Based on feedback from County Staff, we recently modified the format of our monitoring reports to link them to the IPS by identifying whether or not each option (investment manager) meets key criteria in the IPS. This is a helpful tool to check manager compliance with IPS criteria.

Investment Performance Monitoring:

Sections 2.2.3 and 2.2.5 of Detailed Project Scope

We will conduct an ongoing monitoring program to ensure that the funds are meeting the objectives set forth by the Investment Policy Statement. Semi-annually, we will deliver a written and oral report, which summarizes the status of the Plans and the performance if the options in the plans. We will determine

~~CONFIDENTIAL STATEMENT OF FEES~~

Withdrawn

2.1.6 A statement of the fees for the following services:

- 2.1.6.1** Monitoring of investment funds and preparation of a written and oral report twice a year to be provided in advance to and reviewed with the investment committee (within 60 days after June 30 and December 31); and presentation of two quarterly written reports. All reports shall include alerts as to any available investment options not meeting criteria of the investment policy or the subject of other significant concerns, and recommendations as to action by the County with regard to those investment options.

\$20,000

- 2.1.6.2** Advising on the administration of the investments of the Plan and related governance issues, including employee education and information, maintenance and amendment of the investment policy.

These services will be included in our \$20,000 fee proposal for Item 2.1.6.1 of this RFP, with one exception. We do not typically provide employee education. This function is typically provided by the vendor.

- 2.1.6.3** Assistance with the periodic solicitation process for plan administration services. including preparation of the draft request for proposal (RFP) with selection criteria using a County template, identification of prospective vendor contacts, evaluation of proposals, interviews of selected firms and quantified rankings of offerors based on prescribed selection criteria. This would also include any additional services needed if a decision is made by the County to change the administrator with an associated change in fund options.

\$25,000-\$30,000

- 2.1.7** Charges for travel if required or requested by the County, and charges for any additional related expense items shall be at the lowest suitable cost and shall be reimbursed at cost, upon provision of acceptable documentation.

None.

4.2.6 Cost of Services

Provide a cost estimate, including estimated man hours proposed, for each item listed in the **SCOPE OF SERVICES** section of this Request for Proposals. Provide a list of hourly rates for all personnel proposed to be assigned work including proposed fees of subcontractors (and a listing of subcontractor hourly rates and other charges) and list other all other anticipated costs and/or fees.

Detailed Project Scope Cost of Services	
Projects	Estimated Man Hours Proposed
2.2.1	10 hours
2.2.2	Included in 2.2.5
2.2.3	Included in 2.2.5
2.2.4	10 hours
2.2.5	100 hours

CONFIDENTIAL Hourly Consulting Fees	
Title	Hourly Rate
President	\$350 per hour
Research Director	\$250 per hour
Senior Consultant	\$250 per hour
Senior Analyst	\$200 per hour
Junior Analyst	\$125 per hour
Technical Assistant	\$75 per hour