



**City of Lakeland Request for Proposal  
Service Consultant Role for 457 & 401(a) Plan**

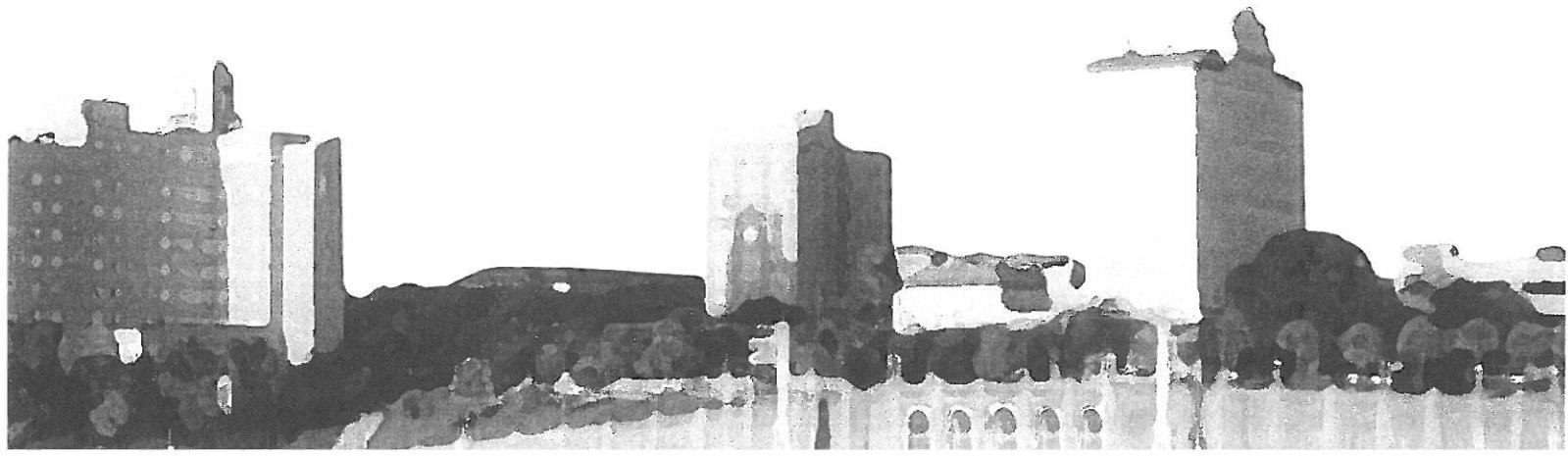
**December 17, 2010**

Presented by:

**Allen  
& Company**

**The Riggs-Lopez-Marotz-Wright Team**  
1401 South Florida Avenue  
Lakeland, Florida 33803  
863.616.6056

[www.alleninvestments.com](http://www.alleninvestments.com)



**PROPOSAL SHEET:**  
**SERVICE CONSULTANT ROLE FOR 457 & 401(A) PLAN**  
**For**  
**CITY OF LAKELAND**

November 23, 2010

**R.F.P. NO. 0351**

**THIS PROPOSAL SHALL BE VALID FOR NINETY (90) DAYS FROM DATE OF OPENING**

**Company Name:** Allen & Company of Florida, Inc.

**Company Address:** 1401 S. Florida Avenue

**City :** Lakeland      **State :** FL      **Zip:** 33803

**Telephone** (863) 688-9000 X211      **Fax** (863) 688-4885

**E-Mail Address:** [cmarotz@alleninvestments.com](mailto:cmarotz@alleninvestments.com) or [flopez@alleninvestments.com](mailto:flopez@alleninvestments.com)

The following is in strict accordance with the City of Lakeland Request for Proposal No. 0351, dated November 23, 2010 and all attachments referenced therein.

This proposal shall be F.O.B. Delivered with Full Freight Allowed and a Total Firm Price for All of the Work outlined in the Specification Entitled, "Service Consultant Role for 457 & 401(a) Plan".

A. Total Amount Requested in Consideration for any Additional Cost of the Insurance as Required for this Proposal:

\$ \_\_\_\_\_ Dollars  
Written Out \_\_\_\_\_

B. Total Amount Requested in Consideration for Acceptance of the City of Lakeland Indemnification Agreement: (Minimum amount shall be \$100.00).

\$ \_\_\_\_\_ Dollars  
Written Out \_\_\_\_\_

C. Please List the Number of Years Your Firm has Performed Service Consultant Role Services:

**78 Year(s) Total**

**Allen & Company and the Riggs-Lopez-Marotz-Wright Team have served the City of Lakeland in a Performed Service Consultant Role for the past five years. Our team has also provided Financial Planning services and support to employees of the plan as well.**

*Proposal Sheet continued on the next page:*

**PROPOSAL SHEET CONTINUED:**

**SERVICE CONSULTANT ROLE FOR 457 & 401(A) PLAN**  
**For**  
**CITY OF LAKELAND**

**November 23, 2010**

**R.F.P. NO. 0351**

D. Please list references from firms receiving similar equipment, materials or services to that requested in this request for proposal. This List shall be Specifically Prepared for this Proposal Submittal and Should Include the Name of the Entity and the Name and Telephone Number of a Responsible Individual Qualified to Respond to Questions Concerning Your Company's Abilities, Costs, Schedules, Etc. Note: Prior successful accomplishment of such equal work will be a consideration in determining whether the Respondent is qualified to perform the work specified herein.

<b><u>Client Organization</u></b>	<b><u>Contact Person / Position</u></b>	<b><u>Telephone No.</u></b>
1. The City of Bartow	Sean R. Parker City Attorney & Partner at Boswell & Dunlap LLP	863-533-7113
2. Bernie Little Distributors	Marla McAulay Human Resources	863-665-3615
3. Waller Group	Robert James (Jimmy) Waller, IV Owner/Vice President	863-688-8870
4. Battery USA	R. Thomas Standifer Owner/President	863-665-6317

E. Please State the Name, Address and Telephone Number of the Branch Office that Serves the Lakeland, Florida Area and where Technical Expertise is Available:

<b><u>Name</u></b>	<b><u>Address</u></b>	<b><u>Telephone No.</u></b>
Allen & Company of Florida, Inc.	1401 S. Florida Avenue Lakeland FL 33803	863-688-9000

*Proposal Sheet continued on the next page:*

**PROPOSAL SHEET CONTINUED:**

**SERVICE CONSULTANT ROLE FOR 457 & 401(A) PLAN**  
**For**  
**CITY OF LAKELAND**

**November 23, 2010**

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F. As a Responsive Respondent I Have Attached All Required Data as Requested in the Specification entitled, "Service Consultant Role for 457 & 401(a) Plan":

XX Yes    \_ No

Note: If "No" is checked please explain: Failure to comply with specification requirements may be cause for bid disqualification.

G. Please List Any and All Exceptions or Clarifications to this Proposal or the Referenced Specification: Note: Failure to note any exceptions or clarifications shall be construed as a total compliance statement.

**Please indicate if any additional sheets of clarifications or exceptions are included:**

\_ Yes    XX No

*Proposal Sheet continued on the next page:*

**PROPOSAL SHEET CONTINUED:**

**SERVICE CONSULTANT ROLE FOR 457 & 401(A) PLAN**  
**For**  
**CITY OF LAKELAND**

**November 23, 2010**

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**H. Schedule**

**Work can be started immediately after Notification of Award.**

**Terms of Payment:** Terms of payment are outlined in the following Request for Proposal document.

**Note:** Payment shall be made within forty-five (45) days of receipt of invoice in accordance with Florida Statute §218.74, the Local Government Prompt Payment Act.

"I hereby certify that I understand and am aware that the City of Lakeland at its sole discretion reserves the right to waive technicalities or irregularities, to reject any or all submittals, and/or to accept that submittal which is in the best interest of the City. The award of this submittal, if made, may be based on various considerations, including without limitation; Respondent's experience and/or qualifications, past experience, administrative cost, standardization, technical evaluation and oral and/or written presentations as required. The City reserves the right to accept all or part, or to decline the whole, and to award this submittal to one (1) or more Respondents. The submittals will be in the judgment of the City the most responsive to the City's needs. The City of Lakeland encourages the use of minority and women-owned businesses as subcontractors or in joint venture arrangements. The City is authorized by Resolution No. 3634 to give preference to local persons, firms or corporations, in an amount of two percent (2%) not to exceed \$10,000 of the proposal price. Any Respondent sent three (3) or more requests for proposal or invitations to bid and fails to respond may be removed from the City bid list."

**Allen & Company of Florida, Inc.**  
Company Name

  
\_\_\_\_\_  
Authorized Signature

12 - 16 - 2010  
\_\_\_\_\_  
Date Signed

**Fred Lopez, CFP®**  
Name of Contact for Questions

**863-688-9000**  
Telephone No. of Contact

# **City of Lakeland Request for Proposal**

## **Service Consultant Role for 457 & 401(a) Plan**

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### **Summary**

The purpose of this RFP is to request bids from advisory firms for the consulting advisor aspect of the 457 & 401(a) Plan. In years past one RFP was issued for product and service at the same time. It is our belief that the City of Lakeland would be better served dividing the process into two phases. The first phase of the RFP process is to select the advisor and consulting role. Once that position is filled, the advisor consultant will assist the City in choosing the various other roles (record keeper, third party administrator, and money managers) at the best possible price (the second phase).

### **Role of the Advisor**

The financial advisor to the City of Lakeland will serve the city and employees in two capacities. The first role will be in assisting the city with regards to the 457 & 401(a) Plans. The second role the advisor will be with assisting our employees with Financial Planning questions and support on an ongoing basis.

- Role 1: 457 Plan Design, Selection, and Maintenance. In this role, the advisor will be responsible for assisting the City of Lakeland with selection of a 457/401(a) provider, record keeper, third party administrator (if necessary), and investment managers. The advisor will be responsible for making recommendations to the newly formed 457/401(a) Committee and seeing to it that approved recommendations are implemented. On an ongoing basis the advisor will be responsible for obtaining performance reports, reports on fees and expenses, and suggesting any appropriate changes to investments as necessary. The advisor will be present at Committee meetings and make themselves available for questions as necessary.
- Role 2: Service to our employees. In addition to the above role, the financial advisor that is selected to this RFP will be available to our employees for questions and/or financial planning guidance as necessary. This guidance is not limited to strictly asset allocation advice, but also advice for financial planning and or investment advice as necessary. While it is recommended and suggested that the advisors selected have an office located in the Lakeland area to assist our employees, it is not completely necessary for this RFP.

### **Background**

Allen & Company, Inc. (Lakeland, FL) and The Hartford currently provide the administration, recordkeeping, investment, enrollment and education services. The City of Lakeland has 2,017 full time regular employees, 534 part time regular, full time temporary or part time temporary employees. Only full time regular employees are allowed to participate in the 457 Plan, whereas participation is mandatory for all others in the 457 OBRA Plan. 401(a) Plan participation is limited. The City of Lakeland employees do not participate in the Social Security system. As such, the 457 and 401(a) plans are a valuable supplement to their retirement income.

# **City of Lakeland Request for Proposal Service Consultant Role for 457 & 401(a) Plan**

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Key plan data as of September 30, 2010 is as follows:

	457	457 OBRA	401(a)	Total
Assets	\$53,540,160	\$2,069,963	\$3,454,670	\$59,064,793
Accounts: Active	941	294	38	1236
Inactive	531	278	4	858
Total Accounts	1480	572	42	2094
Annual Contributions	\$ 5,553,169	\$272,848	\$610,789	\$4,806,326
Annual Withdrawals	\$ 2,922,988	\$135,647	0	\$3,058,635

## **Scope of Contract**

The purpose of this Request for Proposal (RFP) is to enter into a contract with a qualified firm for the provision of communications, education and investment management services for the City of Lakeland Deferred Compensation and 401(a) Plan in accordance with the terms and conditions of the Request for Proposal.

## **Contract Period and Renewal**

Proposals should be based on a five year contract. The contract will begin on January 1, 2011, or date of award, whichever is later, and terminated on December 31, 2016. Automatic contract renewals are prohibited. Contract renewals must be authorized by and coordinated through the City's Purchasing Department. The City reserves the right to renew the contract for two (2) additional five (5) year periods. This contract may be renewed at the expiration of its term by agreement of both parties.

While it is understood that your firm will receive investment management fees and expenses and/or various revenue from the agreed upon investment options, not limited to commissions, reimbursements, sub-transfer agency, 12(b)-1 or broker fees, the City expects firms to enter into a contract that provides full disclosure of all costs, fees and revenues received.

## **Time Horizon**

This process shall be divided into 2 phases:

### **Phase 1**

Advisor Consultant RFP released	11/22/2010
Optional Pre-Proposal Meeting	12/03/2010
Proposals due	12/17/2010
Finalist selected	01/03/2011
Final presentations	01/07/2011
Advisor/Consultant selected	01/10/2011

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### Phase 2

Investment Policy Statement design recommendation	01/28/2011
Investment Policy Statement finalized	02/14/2011
Record keeper/ TPA product proposals	02/14/2011
Record keeper/TPA product selection	02/21/2011
Money manager/mutual fund selection proposal	02/28/2011
Money manager/mutual funds selected	03/15/2011
Finalize education plan	05/01/2011
Product implementation	10/01/2011

### A. Please Provide Information About Your Company:

*1. Please give a brief overview of your organization, location of your office(s), and ownership structure.*

Allen & Company has been providing financial and retirement plan services for over seven decades. As the oldest investment firm in Florida we have been providing a complete menu of financial and retirement services on a local as well as state level for the past 78 years. At Allen & Company we pride ourselves in delivering personalized service tailored to meet individual plan needs and the needs of the participants.

Allen & Company has two offices. Our main office, the one primarily servicing the needs of the City of Lakeland employees, is conveniently located at 1401 S. Florida Avenue, Lakeland, FL, 33803. Allen & Company also has an office located at 250 Avenue K, SW Suite 106, Winter Haven, FL 33880.

Allen & Company is an S Corporation wholly owned by Allen & Company Financial Corporation. Allen & Company Financial Corporation is owned by the Allen Family, Allen & Company of Florida, Inc. employees, and members of the Allen & Company of Florida, Inc. Board of Directors.

*2. Does your firm have any subsidiaries or parent companies? If so, list all and explain the relationships.*

Allen & Company Financial Corporation is owned by the Allen Family, Allen & Company of Florida, Inc. employees, and members of the Allen & Company of Florida, Inc. Board of Directors.

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*3. Do you work through any related trading companies (clearing firms)? If so, please list all and explain all relationships.*

We have a partnership with First Clearing Corporation, an affiliate of Wells Fargo. This relationship affords Allen & Company the ability to offer a comprehensive suite of financial and retirement planning solutions to our private clients. Through our partnership we are able to couple state of the art technology, such as the Envision<sup>SM</sup> Financial Planning Software and support, with the experience of our Financial Advisors to identify and prioritize clients' retirement needs and help them reach their financial and life goals.

As an independent Broker-Dealer, Allen & Company maintains the ability to place clients' and corporations' assets with other entities as well, such as retirement plan providers, annuity companies, life insurance companies and mutual fund companies.

The City of Lakeland's 457 Plan and 401(a) Plan would not be on a First Clearing retirement plan platform.

*4. What percentage of your overall revenue is derived from investment and financial planning consulting services in comparison to commissions?*

Approximately 26% of Allen & Company's overall revenue is derived from investment and financial planning consulting services.

*5. Please provide a copy of your Errors and Omissions insurance.*

As currently structured, the plans are covered by Hartford's Errors and Omissions coverage which is in excess of \$15 million and carried with Steadfast Insurance Company (Zurich).

Allen & Company has opted for the past several years to be self insured for errors and omissions coverage, recognizing we are the "insurer" in the event of a claim.

## B. Please Provide Information on Key Employees & Regulatory Information

*1. How many employees does your firm currently have? Please give background of individuals who will be working on the plan.*

Allen & Company currently employs a total of 27 Financial Advisors, 16 Client Service Associates and 12 other support staff including compliance, accounting, cashiering, operations, management, marketing, and technical support.

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Of the 55 Allen & Company employees, 10 are **CERTIFIED FINANCIAL PLANNER™** Professionals, 2 are **CERTIFIED FINANCIAL PLANNER™** Candidates, 1 is a Certified Financial Para-Planner<sup>RP</sup>, and 13 are Certified Wealth Strategists®. The firm is proud to also have on staff a Certified Investment Management Analyst<sup>SM</sup>, a Certified Financial Services Counselor, a Chartered Retirement Plans Specialist<sup>SM</sup> and a Chartered Retirement Planning Counselor<sup>SM</sup>.

As defined by the Certified Financial Planner Board of Standards, Standards of Professional Conduct ("Standards"), CFP® professionals are actively enforced through an investigative and disciplinary process described in the Disciplinary Rules and Procedures. Enforcement of the ethical standards for CFP® certificants is one of the key elements that distinguishes the CFP® certification from other financial credentials, and CFP Board is committed to maintaining a disciplinary process that is fair to the certificants whose conduct comes under scrutiny and one that is credible to the public."

The designation of Certified Wealth Strategist® is currently held by 13 Financial Advisors at Allen & Company; no other Financial Advisors in Lakeland hold this prestigious designation.

Fred Lopez and his team of Financial Advisors at Allen & Company of Florida, Inc. will be responsible for facilitation of the plan, the investment line-up and the enrollment as well as the ongoing education needs of the City of Lakeland and their employees.

### Allen & Company of Florida, Inc.'s City of Lakeland Account Management Team



Fred Lopez, Financial Advisor  
**CERTIFIED FINANCIAL PLANNER™**  
Certified Wealth Strategist®  
1401 South Florida Avenue  
Lakeland, FL 33803  
Phone: 863-616-6056  
[flopez@alleninvestments.com](mailto:flopez@alleninvestments.com)

Fred Lopez joined Allen & Company in 2000. He started his professional career in the education arena and utilizes his ten years of experience as an educator to gain insight when designing retirement programs for individuals that have a defined benefit plan, DROP and/or defined contribution plan. Fred is a Lakeland native who received his Bachelors Degree from Troy University. He holds Series 7 and 66 licenses as well as Life, Health and Variable Annuities. He is an alumnus of the Leadership Lakeland XXI program. He and his wife Robin and their three daughters are active members of the Christ Community Presbyterian Church in Lakeland. Fred is fluent in both English and Spanish.

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## Service Consultant Role for 457 & 401(a) Plan

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### Ron Riggs, Financial Advisor

1401 South Florida Avenue  
Lakeland, FL 33803  
Phone: 863-616-6025  
[rlr@alleninvestments.com](mailto:rlr@alleninvestments.com)

Ron Riggs joined Allen & Company in May of 1994 as a Financial Advisor. Ron is a seasoned professional that has spent years cultivating a successful career in the Financial Services arena as the principal of his own Florida Broker/Dealer firm as well as a past member of the International Association of Financial Planners. He holds a Bachelors Degree from Ashland University and holds Series 7 and 66 licenses as well as Life, Health and Variable Annuities. He is a member of the Leadership Society for Plano.

His knowledge and dedication to personalized retirement programs has made Allen & Company a preferred provider for the school system, the City of Lakeland, the City of Bartow and many other local companies. Specialized strategic retirement planning for city, county and state employees is a passion for Ron.



Cynthia R. Marotz, Financial Advisor  
Chartered Retirement Plans Specialist<sup>SM</sup>  
CERTIFIED FINANCIAL PLANNER<sup>TM</sup> Candidate  
Certified Wealth Strategist<sup>®</sup>  
1401 South Florida Avenue  
Lakeland, FL 33803  
Phone: 863-616-6022  
[cmarotz@alleninvestments.com](mailto:cmarotz@alleninvestments.com)

Cynthia Marotz joined Allen & Company in 2003 after spending more than 10 years working in the financial services industry. Cynthia grew up in Lakeland where she graduated with honors from high school then attended college graduating with a Bachelors of Administration degree in 1995. Cynthia holds Series 7 and 66 licenses as well as Life, Health & Variable Annuities. She is also a Chartered Retirement Plans Specialist<sup>SM</sup>.

Attending college on a public service scholarship herself, Cynthia pushes young women to give back to the community and to think about financial security. She enjoys guiding women to gain financial independence and encouraging young people to save.

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**Michael Wright, Financial Advisor, Vice President**

**CERTIFIED FINANCIAL PLANNER™**

**Certified Wealth Strategist®**

1401 South Florida Avenue

Lakeland, FL 33803

Phone: 863-616-6047

*mwright@alleninvestments.com*

Michael Wright joined Allen & Company's Lakeland office in 1999 as the Director of Financial Planning. He graduated from Louisiana State University with a Bachelor of Science degree in Finance. Prior to joining the Allen & Company team of professionals, he worked for a national financial planning firm. Throughout his career, Michael has dedicated his talent to pursuing knowledge and technology that would help clients obtain their financial goals. He holds a Series 7, 4, 24, and 66 licenses as well as Life, Health, and Variable Annuities.

Michael puts his experience and education to work each day as a complete wealth management advisor helping clients create financial strategies that will keep them on track for retirement. Michael is an active member of the community and is a graduate of the Leadership Lakeland program. Michael enjoys playing basketball, softball, and golf. A Louisiana native, Michael is proud to call Lakeland his hometown along with his wife Kathleen and three children.



**Carol Hughes & Beverly Crowder**

**Client Service Associates**

Carol Hughes and Beverly Crowder share the responsibilities of day-to-day office management and administrative support for Ron, Fred, Cynthia and Michael. Carol and Beverly's contributions to the team include: resolution of client inquiries, facilitation and management of the contact and scheduling management software for team members, maintenance of clients' files and current account status as well as client correspondence.

Both Carol and Beverly hold Series 7 licenses; Carol also holds a Series 66 license. Together, the support team has 37 years of combined experience in the financial services industry including cashiering, wire operations, branch operations management and client service.

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## **Service Consultant Role for 457 & 401(a) Plan**

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The Allen & Company team of professionals are highly trained individuals holding various licenses and certifications and are registered with FINRA. At Allen & Company we continually seek higher education and technical training in our field to better serve our clients. All of our professionals are required to complete continuing education hours to keep their licenses and certifications current.

Our home office is in Lakeland and our team is available Monday through Friday, 8:30 a.m. to 5:00 p.m. EST. Clients are welcome to meet with our Financial Advisors in the office or through a dedicated City of Lakeland Plan phone line at Allen & Company of Florida, Inc. Bilingual representatives are also available. Our team of professionals can address the plan participants' retirement account needs as well as assist them with any of their wealth management issues.

### **Plan Needs:**

- Request forms
- Obtain information regarding plan rules
- Set-up dollar cost averaging
- Initiate loans and withdrawals
- Process address changes
- Change beneficiary information
- Obtain a participant Statement of Account
- Obtain tax forms
- Change Personal Identification Number (PIN)
- Make inquiries regarding account or financial transactions in process
- Request fund performance
- Request a distribution illustration
- Discuss distribution options
- Obtain legislative information

### **Wealth Management:**

- Investment Information
- Complete Comprehensive Financial Planning
- Insurance & Long Term Care
- Estate Planning

*2. Which of your firm's employees will actually attend meetings, measure performance, and help in making selections of the money managers of the retirement plan?*

Although the firm has 27 Financial Advisors actively prepared to service the City of Lakeland from our Lakeland and Winter Haven office locations, The Riggs-Lopez-Marotz-Wright Team

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## Service Consultant Role for 457 & 401(a) Plan

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will be the professionals charged with personally managing the City of Lakeland's retirement plans. The team approach is designed to maximize Allen & Company's ability to offer local, personalized customer service, on-going investment education, and onsite enrollment services to The City of Lakeland.

Fred Lopez, CFP®, Ron Riggs, Cynthia Marotz and Michael Wright, CFP® will attend meetings and facilitate educational events. Depending upon the size of the particular event, one to four of the team of Financial Advisors may attend.

Five years ago, Allen & Company developed a committee that includes Allen & Company President & CEO Keith Albritton, CFP®, CIMA®, CWS®, Vice President and Director of Financial Planning Michael Wright, CFP®, CWS® and Financial Advisor Fred Lopez, CFP®, CWS® for the purpose of providing ongoing due diligence of the investment options in accordance with the City of Lakeland Investment Policy Statement.

*3. Have the advisors who will be servicing this retirement plan ever been censored or fined for violations in the securities industry?*

The Financial Advisors servicing this retirement plan have never been censored or fined in violation of the securities industry. Allen & Company prides itself in its long-standing commitment to place clients' interests first.

Allen & Company is a member of the following organizations:

- Financial Industry Regulatory Authority (FINRA)
- Securities Investor Protection Corporation (SIPC)
- Securities Industry and Financial Markets Association (SIFMA)
- Florida Securities Dealers Association (FSDA)
- Municipal Securities Dealers Association (MSRB)

\*Our Financial Advisors record can be confirmed by accessing the FINRA website at <http://www.finra.org>.

*4. Is your firm presently being, or has it within the past five years, been sued in a court of law for breach of fiduciary responsibility, or for errors and omissions, in the handling of client affairs? If so, please explain.*

Allen & Company of Florida, Inc. has not been sued in a court of law for breach of fiduciary responsibility, or for errors and omissions, in the handling of client affairs within the past five years.

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### C. Please Provide Information on any Potential Conflicts of Interest

*1. Does your firm, or any of its employees, have clients or associations that could present a conflict of interest should your firm be chosen to represent the City of Lakeland and its employees in the plan?*

Allen & Company feels there are no conflicts of interest due to clients or associations in relation to representation of the City of Lakeland and its employees.

We would however like to disclose that several of Allen & Company's employees donate their personal time to various City of Lakeland organizations. Lyonal B. Lindsey is currently a Trustee of the Lakeland Firefighters Pension Board. Karin McKnight and Andy Hernan serve as Utility Commissioners.

In addition, it is the policy of Allen & Company to prohibit all firm employees from making political contributions unless pre-approval is obtained from Compliance or Chairman of the Board, Ralph C. Allen. Financial Advisors are required to report all contributions quarterly as well as on the Annual Attestation.

*This policy was adopted to respond to the new SEC rule 206(4)-5 under the Advisers Act of 1940 that is designed to protect public pension plans and other government investors from the consequences of pay to play practices by deterring advisers' participation in such practices. Rule 206(4)-5 prohibits an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or officers make a contribution to certain elected officials or candidates. The new rule also prohibits a Financial Adviser from providing or agreeing to provide, directly or indirectly, payment to any third party for a solicitation of advisory business from any government entity on behalf of such adviser, unless such third parties are registered broker-dealers or registered investment advisers, in each case themselves subject to pay to play restrictions. Additionally, the new rule prevents an adviser from soliciting from others, or coordinating, contributions to certain elected officials or candidates or payments to political parties where the Financial Adviser is providing or seeking government business.*

*Investment/Financial Advisers that seek to influence the award of advisory contracts by public pension plans, by making political contributions to, or soliciting them for, those officials who are in a position to influence the awards, compromise their fiduciary obligations to the public pension plans they advise and defraud prospective clients. In making such contributions, the Financial Adviser hopes to benefit from officials who "award the contracts on the basis of benefit to their campaign chests rather than to the governmental entity" or by retaining a contract that might otherwise not be renewed. If pay to play is a factor in the selection or retention process, the public pension plan can be harmed.*

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*Last but not least, we would like to point out that the current plan provider, The Hartford, has for the third year in a row, been named to its annual list of the World's Most Ethical Companies by the Ethisphere Institute.*

2. Are there any circumstances under which your firm or its representatives would receive any fees or payments from money managers, investment managers, or brokers (for database inclusion, commission arrangements, performance measurement, product development, seminars, or soft dollar arrangements, etc.) that you recommend, consider for recommendation, or otherwise mention for our consideration? If so, explain all fee relationships and agreements, including soft and hard dollar arrangements.

In the normal course of business, Allen & Company and its Financial Advisors receive compensation and other payments related to the sale of securities and providing investment advisory services. Among the types of revenue and compensation Allen & Company and its Financial Advisors receive are commissions, distribution fees, 12b-1 fees and reimbursement of training, educational, and forms of promotional expenses. In addition to the above compensation, Allen & Company may enter into agreements to receive additional revenue, also known as revenue sharing.

Revenue sharing means that Allen & Company accepts money from product sponsors such as mutual fund companies, insurance companies, and real estate investment trust ("REIT") companies in addition to the revenue it earns when a customer purchases one of these products. These revenue sharing fees are frequently referred to as due diligence or marketing allowances. Our firm does not recommend products and services based on compensation or any type of revenue sharing agreement.

In the case of the City of Lakeland Plans, no direct or indirect compensation is received by Allen & Company for inclusion or consideration of investment managers in the plan.

3. Do you have any arrangement with your broker dealer that would compensate your firm or its representatives more for placement of our plan with one mutual fund provider, record keeper or any other service? If yes, please describe.

Allen & Company does not receive additional compensation from any one record keeper or mutual fund company. Compensation is not determined by how a plan participant invests in the plan. Allen & Company and its representatives are paid the same regardless of investment choice. The firm is generally compensated by Retirement Plans from various providers on a flat-fee basis based on the overall size of the plan.

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Allen & Company does not give Financial Advisors a reward or bonus for selling shares or products of the specific product sponsor. Financial Advisors recommend products based on each clients' needs and objectives. Allen & Company does not promote or permit any form of sales contests based on specific products.

### D. Please Provide Information on Consultation Duties to the City of Lakeland

*1. Describe how you view your firm's duties as a consultant to City of Lakeland in recommending the selection of the 457 & 401(a) Plan.*

Allen & Company's extensive experience working with state and local governments allows us to bridge the gap between the City of Lakeland and the record keeper of the 457/401(a) plans. Allen & Company, who has been a part of the fabric of Lakeland, Florida since 1932, understands the needs of the City of Lakeland and we view ourselves as ambassadors to the City of Lakeland while continually striving to provide the best retirement plan available.

Along with the ability to partner with the City of Lakeland in selecting the right 457/401(a) provider, we offer comprehensive financial planning and retirement education coupled with personal service. In addition, our firm will act as fiduciary in providing the ongoing due diligence of the investment options in accordance with the City of Lakeland's Investment Policy Statement.

*2. Registered Investment Advisors (RIAs) are required under the Investment Advisors Act of 1940 to put their clients' interest ahead of their own, whereas brokers do not have this same requirement. Is your firm (not clearing firm) and its representatives registered with the Securities and Exchange Commission as Registered Investment Advisors and Representatives? If not, please explain why.*

Yes, Allen & Company and our representatives are registered with The Securities and Exchange Commission as a Registered Investment Advisor and as Registered Investment Advisor Representatives.

*3. Will your firm acknowledge in writing their fiduciary role to the City of Lakeland and its employees?*

Yes, our firm will be reviewing the entire plan as well as individual retirement objectives for individual employees enrolled in the City of Lakeland's Retirement Plans. We will assist the City of Lakeland and its employees by recommending individual investments best suited to the time horizons and risk tolerances stated by the individuals in accordance with the City of Lakeland's plans and trust documents.

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*4. Managing the fiduciary responsibility of a plan with 2,000 employees is an extensive undertaking. What will you do to help the City of Lakeland manage its fiduciary obligations?*

Allen & Company created a committee five years ago that meets with members of City of Lakeland Retirement Services on a quarterly basis. We also conduct mid-year and year-end reviews in accordance with the requirements set forth by the Investment Policy Statement.

The plan currently is under a program called Fiduciary Assure that helps with both the responsibility and the liability associated with the election of the investment options offered. Fiduciary Assure, a no-cost benefit, is an investment research, selection and monitoring service created by the Investment Strategies Division of Mesirow Financial Management Inc. Fiduciary Assure provides unbiased guidance from an independent third party. Mesirow shares the fiduciary responsibility with respect to the investment recommended. Mesirow provides the Allen & Company committee a report which identifies qualitative and quantitative issues for investments including:

- Performance issues
- Organizational changes including manager changes, fund mergers and closures
- Legal issues related to litigation or regulatory investigations
- Investment policy changes
- Consistency issues related to investment style or strategy
- Expenses out of line with peers

Allen & Company monitors the rules and regulations that affect the proposed plans and will provide the plan participants and plan sponsors with information relative to changes in the Internal Revenue Code as well as any regulations that may affect their program. We ensure our policies, procedures and documents all comply with IRS rules and regulations. Our in-house Compliance Unit as well as our plan provider's Compliance Unit, will utilize various means to assist the City of Lakeland in maintaining compliance with state and national regulations.

We provide education, a fiduciary responsibility, in several ways:

- One-on-one meetings with participants
- On-site group level meetings
- Off-site group level meetings
- Financial planning seminars and education programs
- Lunch-n-Learn meetings hosted by Allen & Company and selected mutual fund providers

Allen & Company of Florida, Inc.'s website also features a special link designed specifically for the City of Lakeland employees to obtain valuable information regarding their retirement plan

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and individual accounts. The Allen & Company website links directly to the plan provider website. Upon accessing plan provider's website, participants have access to their account information, education information, news and financial calculators.

We will also communicate plan changes to participants who are no longer employed with the City of Lakeland and will continue to service their accounts as well as provide additional financial planning at no cost to them.

Also, for those who prefer independent access to fund information, the current retirement plan provider offers (and any new provider must offer) access to Morningstar or a similar investment analysis tool, where participants have investment education and guidance at their fingertips. Morningstar Associates, LLC is a fiduciary with respect to the investment advice it provides. As an investment advisor and an advice provider to a plan governed by ERISA or state law, Morningstar Associates, LLC puts the individual participant's interests ahead of its own. The service is fully disclosed, as well as other pertinent information about the firm, via the ADV II, which is presented within the advisory agreement that participants view and agree to upon entry to the site.

5. In the Non-Mandatory Pre-Proposal meeting on Friday, December 3, 2010, we were informed that no question 5 exists.

6. What is your strategy on the 457 & 401(a) Plan to increase employee participation? What types of things could be done to the plan to enhance value to the City and its participants?

There are several strategies Allen & Company would like to employ to increase participation and offer the newest legislation to employees. An auto-enrollment program would be beneficial, and instituting automatic enrollment would result in a staggering leap in participation rates. The auto-enrollment feature could be enhanced by adding auto-escalation of benefits and auto-default investment options.

Making the decision to enroll new employees going forward at the time of hire may pose legislative and contractual details; however, the decision will ultimately help employees as they head towards retirement. Enrollment becomes just one more aspect of employee orientation, a time when an employee is focusing on all of the employee benefit options. Presented as a condition of employment, the employee may be more unlikely to take the initiative to opt out of the Plan than they were to enroll in the past.

The Pension Protection Act requires that the plan sponsor permit the employee 30 days from enrollment to the time of first deferral to opt out of the Plan. This period is known as the opt-out period. PPA also provides an additional escape route for the employee. Once deferrals

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have begun, a participant has 90 days from the time of enrollment to make a penalty-free withdrawal of the value of his or her account. Those deferrals would then be included in taxable income for the year.

We would also like to work towards allowing 457 plan participants to participate in the new ROTH feature for Deferred Compensation Plans. A qualified Roth contribution program is a program under which a participant may elect to make designated Roth contributions in lieu of all or a portion of the elective deferrals that he or she otherwise would be eligible to make under the applicable retirement plan. To qualify as a qualified Roth contribution program a plan must:

(1) establish a separate designated Roth account for the designated Roth contributions of each participant (and for the earnings allocable to these contributions); (2) maintain separate records for each account; and (3) refrain from allocating to the designated Roth account amounts from non-designated Roth accounts.

Allen & Company will continue to provide an educational platform divided into distinct offerings – all of which are available to any City of Lakeland employee.

- Plan Level Group Sessions – Enrollment at in-processing and LPD Mini-Academy
- Lunch-n-Learns regarding investment concepts and strategies with mutual fund representatives
- Topic Driven Informational Workshops
- Financial Planning Seminars – 13 Wealth Management Strategies and Envision<sup>SM</sup> planning
- Retirement Seminars – Pension Options & DROP education and Envision<sup>SM</sup> planning
- Individual Employee Education Sessions – Conducted in person and on-site
- Vendor Fair and City of Lakeland sponsored events
- Client appreciation events

### Plan Level Group Sessions

One of the most important retirement planning decisions an employee can make is enrolling in their Employer's Retirement Plan. Employees are able to enroll in the retirement plan program either by attending a group enrollment session or meeting individually with their local Allen & Company representative. Whether by utilizing custom enrollment kits or proprietary educational materials, Allen & Company strives to ensure that the retirement plan participants are prepared and empowered to take advantage of their plan benefits.

### Investment Concept and Strategies Series

In addition to the comprehensive educational program outlined above, Allen & Company also offers informational workshops to ensure that education continues throughout an employee's

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## Service Consultant Role for 457 & 401(a) Plan

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career. These informational workshops are available to employees regardless of whether or not they participate in the retirement plan.

### Retirement Savings and Planning

This program is designed to educate employees to the benefits of their participation in the plan: initial introduction, investment options, general financial planning, and pay-out options.

### Investment Education Seminars

We present Advanced Retirement Investing Seminars. These seminars may include topics such as Morningstar ratings and style boxes, asset allocation techniques or discuss the performance of the core investment options as compared with their benchmarks.

### Special Programs for Participants Nearing Retirement

Allen & Company of Florida, Inc. will offer educational meetings on pre-retirement planning and post-retirement planning. The programs address critical decisions that influence the secure retirement of employees. Fred, Ron, Cynthia, Michael and members of the Allen & Company team, will conduct personal one-on-one sessions with your employees to assist them with goal setting, risk assessment, investment choice selection and overall financial planning as often as requested. These sessions are arranged at a time and location convenient to the participant and agreeable to the plan sponsor.

### ***There are no additional charges for the above mentioned services.***

City of Lakeland employees have expressed in past personal comprehensive planning meetings conducted by Allen & Company, that having a local provider like Allen & Company creates enthusiasm to participate in or increase contributions to the plan. Allen & Company's specialized personal approach to being complete Financial Advisors affords the employees an edge that long distant relationships cannot meet.

We offer an award-winning website with a page dedicated to The City of Lakeland. This web page is a direct link for participants to view their account, obtain information on any and all educational programs available, news related to changes to the plan or plan investments as well as details on who to contact for help regarding their plan.

We have created a custom laminated two-sided business card with our direct contact information on one side and the record keeper on the other.

Our goal is to empower employees by providing them with information and resources regarding the plan and allowing them to make informed choices about their retirement benefits. Our approach is designed to ensure that all employees are afforded the opportunity to take advantage of the benefits that the City of Lakeland has to offer.

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Other retirement plan clients using this approach to employer participant education and customer service have experienced participation rates of 20-35% higher than the national average as reported by a recent survey completed by The National Association of Government Defined Contribution Plans.

*7. Describe your firm's process for the evaluation and recommendation of a record keeper selection for the City of Lakeland's 457 & 401(a) Plan. How would you help to monitor the performance of the record keeper and the service the record keeper provides?*

The following items will be reviewed in conjunction with The City of Lakeland to establish whether the current plan provider is retained:

- Review of Asset Based Fees
- Review of Fund Level Fees
- Review of Investment Fund Availability
- Review of Investment Objectives
- Review of Investment Guidelines
- Review of Procedures for the Management of the Plan
- Review of Investment Record
- Review of Risk Characteristics
- Review of Services to the Participants and Trustees
- Review of Customer Service Availability and Protocol

In order to continue to monitor the performance of the record keeper and the services the record keeper provides, we will, as fore mentioned, continue to meet with provider representatives, retirement services representatives and mutual fund managers to ensure that the current and new Investment Policy Statement standards we have set forth are being met.

*8. Describe your firm's process you will use to recommend investment policies, objectives, and guidelines for the retirement plan.*

Allen & Company of Florida, Inc. utilizes a committee approach to the plan's due diligence. The Allen & Company Committee includes Allen & Company President & CEO Keith Albritton, CFP®, CIMA®, CWS®, Vice President and Director of Financial Planning Michael Wright, CFP®, CWS® and Financial Advisor Fred Lopez, CFP®, CWS®.

The committee has a disciplined process for selecting, evaluating and monitoring the plan's investment fund offerings. Through rigorous, objective analysis the committee strives to

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## Service Consultant Role for 457 & 401(a) Plan

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ensure that the proposed investment options are highly competitive and meet the investment requirements of our plan sponsors and the City of Lakeland Investment Policy Statement.

The Allen & Company committee is committed to meeting on a quarterly basis with the City's Retirement Services Group in addition to a comprehensive mid-year and year-end review.

*9. Will you draft the initial investment policy statement for approval by the City's 457 and 401(a) Committee?*

Yes, Allen & Company, in conjunction with the City of Lakeland Retirement Services Group, will draft a new Investment Policy Statement or re-evaluate the current policy to demonstrate the plan is monitored from an objective point of reference. Mesirow Financial, a co-fiduciary partner, will help in providing this important legal and regulatory tool.

*10. Will you be responsible for the Investment Policy Statement and update the policy at least annually for approval by the committee?*

Yes, Allen & Company, in conjunction with the City of Lakeland Retirement Services Group, will continually evaluate the Investment Policy Statement and update the policy as required.

*11. Describe your firm's process for the evaluation and recommendation of investment managers for the retirement plan. How do you monitor each manager's performance?*

The Allen & Company approach to evaluating and recommending investment managers is a disciplined process. Through rigorous, objective analysis we strive to ensure that the proposed investment options are competitive and meet the investment requirements of our plan sponsors. We are continually refining the methodology and due diligence process we have developed.

The Allen & Company committee maintains a "Quarterly Review List" for investment options with under-performance in any of the predetermined criteria. If an investment option underperforms for four consecutive quarters following its placement on the List, Allen & Company will make a recommendation to the plan sponsor to consider limiting or "freezing" the investment option to new contributions and transfers, or removing it from the investment lineup entirely. If the decision is made to eliminate the investment option from the lineup, participant assets will be transferred into another investment option with a similar investment objective at the plan sponsor's direction.

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It is important to note that Allen & Company's evaluation is primarily quantitative. However, the decision to freeze or remove an investment option is generally subjective, and may trigger concern for the plan sponsor and/or participants. In the event that such action becomes necessary, Allen & Company has established a communications strategy through which we educate participants about: the reason(s) for freezing or eliminating an investment option; the potential effects of such a change; and the process by which the sponsor will transfer participant assets to an alternative investment option. Additionally, participants will receive disclosure materials pertaining to the investment option(s) to which their assets are transferred.

As previously mentioned, the plans currently are under a program called Fiduciary Assure that assist with both the responsibility and the liability associated with the election of the investment options offered. Fiduciary Assure, a no-cost benefit, is an investment research, selection and monitoring service created by the Investment Strategies Division of Mesirow Financial Management Inc. Fiduciary Assure provides unbiased guidance from an independent third party. Mesirow shares the fiduciary responsibility with respect to the investments recommended.

Mesirow provides the Allen & Company committee a report which identifies qualitative and quantitative issues for investments including:

- Performance issues
- Organizational changes including manager changes, fund mergers and closures
- Legal issues related to litigation or regulatory investigations
- Investment policy changes
- Consistency issues related to investment style or strategy
- Expenses out of line with peers

We believe four primary factors are critical to the successful investment program:

1. Investment horizons should be long term in nature for retirement plans. Speculation and market timing should be avoided and haven't been rewarded over the long-term.
2. Asset allocation drives long-term performance and portfolio risk. Investors need fund options across asset classes/investment styles to have appropriate asset allocation.
3. Market cycle volatility which results in asset classes/investment styles moving in and out of favor can be successfully managed by asset class and investment style diversification.
4. Enhanced portfolio analytics provide the tools for fund selections and comparative evaluations to ensure expenses are not out of line with peers.

12. Please describe your back office support. What strengths does your back office lend to the service/selection of the 457 & 401(a) Plan?

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Carol Hughes and Beverly Crowder share the responsibilities of the day-to-day office management and administrative support for the Riggs-Lopez-Marotz-Wright Team.

Carol and Beverly's contributions to the team include: resolution of client inquiries, facilitation and management of the contact management software for team members, maintenance of clients' files and current account status as well as client correspondence. They also maintain a contact management system utilized to track client contact and set up appointments for timely annual reviews. They also prepare data to assist the Financial Advisors with client meetings.

Both Carol and Beverly hold Series 7 licenses; Carol also holds a Series 66 license. Together, the support team has 37 years of combined experience in the financial services industry including cashiering, wire operations, branch operations management and client service.

Allen & Company employees and representatives are highly trained individuals holding various licenses and certifications and are registered with FINRA. Our employees are required to complete continuing education hours in order to keep their certifications current.

*13. With plans of this size, administrative issues will occur from time to time. What types of things will you do in order to minimize administrative issues and promote solutions?*

Various strategies are utilized to minimize administrative issues including placing Cynthia Marotz, a Financial Advisor with the Allen & Company Riggs-Lopez-Marotz-Wright Team, as liaison between Retirement Services, plan participants and the plan provider. Cynthia's advance communication skills and problem resolution make her the perfect candidate for this partnership.

Second, our extensive contact management system allows us to track and document conversations with employees to resolve outstanding issues and requested actions associated with their accounts. Regardless of which team member answers a client inquiry they are able to access data regarding previous correspondence and meetings to ensure timely resolution of request and issues.

We feel local representation partnered with national resources is crucial in minimizing administrative issues and in promoting solutions to participants' specific needs. Working closely with the City of Lakeland Retirement Services and the record keeper will be the key element in Allen & Company's approach to achieve overall success of the plans' administration.

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Allen & Company's Riggs-Lopez-Marotz-Wright Team of professionals has 76 years of combined experience in the financial industry. This experience coupled with Allen & Company's 78 year history of providing retirement and wealth management services affords the City of Lakeland plan participants the confidence that their Allen & Company Financial Team will be dedicated to helping them plan for success.

*14. Please describe how you will keep the City of Lakeland informed of legislative updates.*

Allen & Company has an in-house Compliance Department that engages in continued education of our Financial Advisors. The Compliance Department attends legislative conferences, receives updates from State Legislators and obtains continuing education credits annually to maintain their licensing requirements just as the Financial Advisors are required to do. The Allen & Company Compliance Department provides a direct pipeline to our Financial Advisors of legislative as well as regulatory changes that may affect our clients.

The Riggs-Lopez-Marotz-Wright Team utilizes this information in the form of updates to Retirement Services as the information is made available. The team will continue to request a quarterly review of the plan with Retirement Services in which legislative updates would be discussed.

In addition, we believe the record keeper/Third Party Administrator plays an integral role in this process.

### **E. Please Provide Information on Your Consultation and Education Duties to the Employees of the City of Lakeland**

*1. Service to and education of our employees is of extreme importance to the City of Lakeland. Please describe your strategy for employee education.*

As previously mentioned, Allen & Company will continue to provide an educational platform divided into distinct offerings – all of which are available to any City of Lakeland employee.

- Plan Level Group Sessions – Enrollment at in-processing and LPD Mini-Academy
- Lunch-n-Learns regarding investment concepts and strategies with mutual fund representatives
- Topic Driven Informational Workshops
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- Individual Employee Education Sessions – Conducted in person and on-site
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### Plan Level Group Sessions

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***There are no additional charges for the above mentioned services.***

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City of Lakeland employees have expressed in past personal comprehensive planning meetings conducted by Allen & Company, that having a local provider like Allen & Company creates enthusiasm to participate in or increase contributions to the plans. Allen & Company's specialized personal approach to being complete Financial Advisors affords the employees an edge that long distant relationships cannot meet.

We offer an award-winning website with a page dedicated to The City of Lakeland. This web page is a direct link for participants to view their account, obtain information on any and all educational programs available, news related to changes to the plan or plan investments as well as details on who to contact for help regarding their plan.

We have created a custom laminated two-sided business card with our direct contact information on one side and the record keeper on the other.

Our goal is to empower employees by providing them with information and resources regarding the plan and allowing them to make informed choices about their retirement benefits. Our approach is designed to ensure that all employees are afforded the opportunity to take advantage of the benefits that the City of Lakeland has to offer.

Other retirement plan clients using this approach to employer participant education and customer service have experienced participation rates of 20-35% higher than the national average as reported by a recent survey completed by The National Association of Government Defined Contribution.

*2. Please describe in detail how you will achieve the above strategy including use of technology, seminars, meetings, etc. to achieve your goals.*

Allen & Company employs multiple strategies for achieving employee educational goals on a consistent basis and has continued to invest countless hours creating and implementing educational programs for the City of Lakeland. We are proud of the time we have invested in the City of Lakeland employees in our quest to help them achieve their financial goals.

First, we are proud to offer each City of Lakeland employee local, no-cost comprehensive financial planning. We tackle in-depth 13 Wealth Management issues that we have found most clients face as well as engage employees in the Financial Planning Process which defined by the Certified Financial Planner Board of Standards is intended to:

1. *Assure that the practice of financial planning by a CERTIFIED FINANCIAL PLANNER™ Professional is based on established norms of practice;*
2. *Advance professionalism in financial planning; and*
3. *Enhance the value of the financial planning process.*

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Our retirement planning process utilizing state of the art tools including Envision<sup>SM</sup> coupled with the training and experience of our Financial Advisors, offers employees an easy, effective way to identify their highest-priority goals. This information helps to develop an investment strategy designed to provide clients a roadmap on their journey through retirement.

*The Envision<sup>SM</sup> tool utilizes a powerful statistical modeling technique to help confirm the client is in the right "Target Zone" to achieve their investment objectives, without unduly sacrificing their current lifestyle needs or being exposed to unnecessary risk.*

When helping clients answer the question of whether they can afford a 30 plus year retirement, we need to account for many different and varied markets. Through Envision<sup>SM</sup> we can generate a thousand simulations to utilize in helping analyze how an employee's portfolio may perform through various markets including high market periods and low market periods.

Second, as part of our ongoing service model initiatives we periodically report certain statistical data in regards to the plan and the use of services Allen & Company offers participants. Our team believes there is no substitute for personal one-on-one contact with our clients. As of August 31, 2010, the Riggs-Lopez-Marotz-Wright Team had met with 640 City of Lakeland retirement plan participants.

Third, to help City of Lakeland plan participants address several of the Wealth Management issues including estate planning and tax planning we have partnered with other service professionals in our community. These professionals, including Estate Planning Attorneys and Certified Public Accountants, have agreed to provide a free consultation to the City of Lakeland plan participants. In addition, our national partner, First Clearing, has also provided additional resources for the City of Lakeland participants to take advantage of though our partnership. Through the Key Client Solutions Group offered by First Clearing, participants are afforded an even broader range of professional resources to utilize in various mediums including; conference calls, training events, virtual education and client seminars. The Key Client Solutions Group includes professionals from select disciplines of an Executive Service Group, an Estate Planning Group, and a Tax, Education and Financial Planning Group. A tax specialist and Social Security specialist are also on staff with the group to provide answers to questions relating to retirement, social security and Medicare.

Fourth, we created and currently maintain a database of City of Lakeland department managers and contact them quarterly to arrange departmental update meetings. The information garnered from these meetings help our team design an approach that is best for their group whether it be a group presentation on a topic of interest or one-on-one meetings. Your Allen & Company Advisors may also utilize technology when making onsite visits to a location to meet with participants. We also have created a database that includes the majority of the City of Lakeland employees along with their email addresses. We utilize email

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as well as print items mailed to their home addresses to update participants regarding Allen & Company educational visits to specific departments. Included in this database we maintain information on plan participants nearing retirement or currently participating in the DROP program. Invitations are extended monthly to these participants regarding educational forums outlining direct correlation of the City of Lakeland's retirement benefits and their overall comprehensive financial plan. When we visit departments or meet with City of Lakeland employees, we offer participants a laminated business card providing contact information for their Allen & Company team and the record keeper's information.

Additional outreach programs include: Lunch-n-Learn seminars hosted in City Hall in which we provide lunch. All City of Lakeland employees are welcome whether they currently participate in the plans or not. Allen & Company participates in the City of Lakeland's Vendor Fair which offers participants the opportunity to interact with our team and voice specific questions. Our team also attends new employee in-processing to review the plan with new employees and review how they can reach us.

Our website, [AllenInvestments.com](http://AllenInvestments.com), is home to a customized City of Lakeland Retirement Plan homepage fully dedicated to City of Lakeland employees. Through this link, City of Lakeland employees can access updates to the plan, contact information regarding reaching their Allen & Company Financial Advisor as well as scheduled educational events currently being offered. From the dedicated City of Lakeland link, there is a direct link that participants can access to lead them to the record keeper's website for easy viewing of their account information.

Allen & Company employs a full-time Marketing and Technology Department that also helps provide innovative methods to serve our clients.

### *3. Please describe in detail your understanding of the benefits programs at the City of Lakeland.*

Understanding employees' benefits is critical in providing in-depth comprehensive financial planning. The sheer amount of options employees have in relation to their benefits can be confusing. In order to appropriately advise someone as to which pension option they should choose takes careful consideration and evaluation of the programs offered. Allen & Company and the Riggs-Lopez-Marotz-Wright Team pride themselves on knowing these options, staying current with the changes and being able to explain the options in relation to an employee's comprehensive financial planning.

There are several main areas of the benefits programs that Allen & Company Financial Advisors deal with on a regular basis:

1. Disability
2. Life Insurance

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3. Health Insurance and the VANTAGECARE RETIREMENT HEALTH SAVINGS PLAN provided by ICMA allows employees to accumulate assets to pay for medical care. Under this program employers make contributions from employee payroll deductions. Employees then invest those amounts into a predetermined lineup of mutual funds. Earnings are tax-deferred and withdrawals are tax-free when used for qualified expenses.
4. Some employees of the City of Lakeland are eligible to participate in the 401(a) Plan. Eligibility is as follows: An employee who has completed thirty (30) years of service as a member of the City of Lakeland Employee Pension Plan or has attained normal retirement age with a minimum of ten (10) years of service as a member of the City of Lakeland Employee Pension Plan and elects to participate in the Pension Plan OR employees who at the time of hiring are age 52 or older shall have the option of electing to participate in the 401(a) Investment Plan in lieu of participation in the City of Lakeland Pension Plan. Any employee the Commission of the City of Lakeland designates may participate in the 401(a) plan. Police Officers and Firefighters may not participate in the 401(a), by State law they must participate in a defined benefit pension plan.
5. Employees may contribute to a 457 deferred compensation retirement plan and Part-time/Seasonal employees participate in the Omnibus Budget Reconciliation Act of 1990 (OBRA) plan.
6. When working with the City of Lakeland employees financial planning needs it is critical to help them understand The City of Lakeland does not participate in Social Security and therefore does not withhold Social Security taxes from employee earnings. In addition, understanding the Windfall Elimination Provision of Social Security is key when advising employees and retirees regarding how past Social Security benefits may be affected.
7. Due to our long affiliation with the School Board of Polk County as a provider of a 403b plan, we are well versed in the criteria of the State's Deferred Retirement Option Plan (DROP) program which is similar to the City of Lakeland's DROP program. Employees who meet certain age-based and length of service based criteria have the option of the Deferred Retirement Option Plan (DROP). The Deferred Retirement Option Program (DROP) allows an employee to retire under the City of Lakeland Employee Pension Plan and begin accumulating retirement benefits, without terminating employment, for up to 60 months.
8. All regular, full-time employees (we will discuss Firefighters and Police Officers below) have the choice to participate in the City of Lakeland Employee Pension Plan which is two-tiered or the 401(a) Plan. Decisions of this nature require a thorough analysis of the employee's thoughts on how long they may be employed with the City of Lakeland, their current financial situation and their risk tolerance.

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The tiers of the Pension Plan apply as follows:

Employees hired before October 1, 2003 (hereinafter "Tier 1") receive 3.0% of their Final Average Compensation multiplied by years of Credited Service up to 25 years, plus 1.0% of Final Average Compensation (highest three consecutive years of service) multiplied by years of Credited Service in excess of 25 years. A Tier 1 employee may retire earlier than the Normal Retirement Age if he/she is 50 years of age with 10 years of service or has 30 years of service regardless of their age. The Normal Retirement Benefit is reduced by 2.04% for each year from age 60 to age 55 and 3.0% for each year from age 55 to age 50 that the early retirement date precedes the Normal retirement date (age 60 with 10 years of service).

Employees hired after September 30, 2003 (hereinafter "Tier 2") receive 2.0% of their Final Average Compensation (highest five consecutive years of service) for the first 10 years of Credited Service, plus 3.0% of Final Average Compensation for each of the next 20 years of Credited Service, plus 1.0% of Final Average Compensation for each following year. Tier 2 employees may retire earlier than normal if they are 52 years of age with 10 years of service or have 30 years of service regardless of age. The Normal Retirement Benefit is reduced by 5.0% for each year the early retirement date precedes the Normal Retirement Date (age 62 with 10 years).

In the event of death of the employee during service, a survivor benefit is offered after the completion of 10 years of service and is based on age. The beneficiary of an employee with less than 10 years of service would receive a refund of the accumulated contributions.

Benefits paid to beneficiaries of retired employees collecting a pension are based upon the benefit chosen at retirement.

Normally, employees have options to choose from regarding their pension payout. They may elect a lump sum if they are eligible or they may elect one of the pension options with or without survivor benefits.

General employees contribute 8.5% to the Pension Plan and Firefighters or union employees contribute 8.0%. The City of Lakeland funds the Pension Plan at a rate determined by the actuary and according to law, but not less than 180% of employee contributions.

A cost of living increase up to 4.0% may be given if there are cumulative actuarial gains that are sufficient to fund the increase. A participant is 100% vested in the employer contribution account upon completion of 10 years of participation in the pension plan. Employee contributions are 100% vested at all times.

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**\*Police Officers and Firefighters do not participate in the regular City of Lakeland Pension Plan as of June 1, 2009.**

The normal retirement benefit for a Firefighter is calculated pursuant to a Benefit Factor table. The Firefighter pension currently has a cost of living increase based upon when a pensioner began receiving benefits. Normally, Firefighters have options to choose from regarding their pension payout. They may elect a monthly lifetime payment, a payment based upon providing for a beneficiary, or an amount based upon retiring prior to the time at which Social Security benefits are payable.

Firefighters may retire at age 50 with 10 years of service due to their special-risk classification. However, Normal Retirement Age under the Pension Plan is age 55 and 15 years of service. Unlike the City of Lakeland's general pension plan, Firefighters have a disability provision in their pension plan based upon the circumstances of the disability. If a Firefighter dies prior to retirement, their beneficiary will receive a benefit, a lump sum or a refund of contributions subject to length of service.

Firefighters contribute 3% of their salary to the plan. The City of Lakeland pays the portion of the cost of the pension plan over and above the firefighters' contribution.

The Lakeland Police Department Pension Board consists of two Commission appointees, two elected members of the Police Department, and a member elected by the two Commission appointees, the two elected members, and appointed by the Commission.

The Lakeland Police Department Pension consists of three tiers:

Tier 1 participants have frozen benefits they accrued under the two prior plans and currently they accrue new benefits equal to those of Tier 2 members. Tier 1 members' contributions are determined annually.

Tier 2 is the standard class and is the only Tier available for those hired after the effective date of the new plan. Tier 2 employees contribute 11% of their salary. Tier 2 members are eligible for the Deferred Retirement Option Plan (DROP).

Tier 3 participants are DROP members in the City's General Plan and were making contributions to the prior Police Supplemental Plan. Their benefits remain unchanged. Their contribution is calculated annually.

All members of each tier are 100% vested after 10 years of service.

# **City of Lakeland Request for Proposal**

## **Service Consultant Role for 457 & 401(a) Plan**

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The City of Lakeland's contributions have a floor of 14.95% of payroll (subject to adjustments made pursuant to the actuarial gain sharing account. Additional amounts may be required from time to time to maintain actuarial soundness and shall be allocated to City of Lakeland and members equally).

Normal retirement age for Police Officers is the earlier of age 55 with 10 years of service or 25 years of service regardless of age. Their benefit is 3% of their average financial compensation for each year of service. They may choose a 10 year certain payout option or life annuity payout option. For those that retire early at age 50 with 10 years of service, their benefit is reduced by 3% for each year before age 55.

\*Members' survivors are afforded death benefit options.

### **F. Fees and Expenses**

*1. Fees and expenses are important to the City of Lakeland. These fees are not just associated with how much the advisor consultant is to receive, but also how much we pay in fees and expenses with mutual funds, record keeping arrangements, third-party administrators, etc. How will you monitor fees and expenses, disclose to the City these fees and expenses, and help us negotiate fees with other service providers that assist us with the plans (i.e. TPA, record keeper, money manager, etc).*

As it relates to the City of Lakeland's 457/401(a) plans, The Allen & Company team has worked diligently to monitor both expenses and balance against performance. We brought significant savings to the City of Lakeland plan participants when we were awarded the plan in 2006 by eliminating all asset based charges above the normal mutual fund operating expenses. Morningstar is a tool that we utilize to monitor both performance and fund expenses. As part of our quarterly meeting regimen with the Retirement Services Group, we review and discuss both fund performance and fund expenses. In addition to *Morningstar*, the current record keeper also provided a P.O.L.I.C.E. report that offered the following proponents:

- Performance issues
- Organizational changes including manager changes, fund mergers and closures
- Legal issues related to litigation or regulatory investigations
- Investment policy changes
- Consistency issues related to investment style or strategy
- Expenses out of line with peers

Currently, each mutual fund fee is disclosed on the plan provider's website and in the enrollment materials to enable City of Lakeland employees access to information regarding what they are being charged.

# City of Lakeland Request for Proposal

## Service Consultant Role for 457 & 401(a) Plan

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Our experience in working with retirement plans as well as the resources made available to us through our partnership with First Clearing Corporation (our clearing firm) will allow us to evaluate the record keepers facilitating the retirement plan every five years. This is in accordance to the original Request For Proposal presented five years ago.

*2. Please tell us as an advisor consultant how you will be compensated, where those fees & commissions will be paid from, and what your compensation will be?*

Allen & Company is currently compensated as a percentage of plan assets. Allen & Company is paid .0023% (23bps) annually to provide investment oversight, education and due diligence to the City of Lakeland's 457/401(a) plans. This compensation is paid to Allen & Company by the current record keeper and comes from 12b-1 and revenue sharing arrangements with the mutual fund companies as well as operating profit earned by the record keeper in the operation of its General Account. Allen & Company anticipates continuing to be paid as a percentage of plan assets from the plan assets themselves regardless of who the plan provider is moving forward.

*3. What is the total annual revenue you would require as a percentage of plan assets?*

Allen & Company would continue to serve the City of Lakeland's 457/401(a) plans as currently structured for the same .0023% (23bps).

There are no upfront sales charge/commissions or exit fees assessed on any of the investments.

*4. Please also provide a fee schedule for any services related to financial planning, Certified Financial Planning (CFP) meetings or in-person investment advice.*

As part of our commitment to the City of Lakeland when we were awarded the plan in 2006, we offered financial planning services at no charge to City of Lakeland employees. Within the industry, these services are billed at an average of \$175 an hour and a custom comprehensive wealth management plan for pre-retirees may cost on average \$1,600 - \$4,000. Allen & Company's staff of 27 Financial Advisors including 10 CERTIFIED FINANCIAL PLANNER® professionals, is uniquely qualified to deliver financial planning advice to the City of Lakeland plan participants. It would be our privilege to once again serve the City of Lakeland if the new 457/401(a) contract were to be awarded to our team of professionals. We will continue our commitment to offer financial planning at no charge for City of Lakeland employees.

# City of Lakeland Request for Proposal

## Service Consultant Role for 457 & 401(a) Plan

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As of August 31, 2010, the Riggs-Lopez-Marotz-Wright Team had met with 640 plan participants to provide personalized financial planning advice and strategies.

### G. Other

1. Please tell us why you think your firm should win this RFP? What separates your firm from other firms?

Five years ago the City of Lakeland Investment Committee voted to transfer the 457 Deferred Compensation and the 401(a) Plans to Allen & Company/The Hartford for the following reasons:

- a. The City wanted to improve the financial education offered to employees by consolidating the providers to deliver a clear and consistent message and avoid competitive selling by different providers.
- b. The City of Lakeland wanted access to local Financial Advisors that were highly skilled and held to the highest level training in the financial industry including the designation of CERTIFIED FINANCIAL PLANNER™ to provide one-on-one comprehensive financial planning to the plans' participants.
- c. The City of Lakeland wanted to consolidate the fund choices and reduce fees related to the fund options offered. Emphasis was to be placed on the on-going due diligence and active management of the funds inside the platforms.
- d. The City of Lakeland wanted to reduce the stress placed on participants and administrators relating to issues that may arise from having multiple providers involved in the plans. They wanted to ensure the best interests of the City of Lakeland were being served.

When the Allen & Company team was awarded the original bid in 2006, we knew service and planning was one of the primary concerns for the City of Lakeland Retirement Services Group. Our team has done an effective job providing personal, professional and comprehensive service to the participants and their families. In order to help the City of Lakeland continue to accomplish the goals set forth, Allen & Company has employed the following strategies:

- The education and support have been consolidated to one provider offering investment options and service. This has helped to provide planning options with a consistent cohesive message. It is no longer a competitive selling environment where confusion exists regarding what company or what fund option should be selected. The focus is now placed on the employee and how they can reach their financial goals by developing a proper planning strategy. Our firm has been effective in working with The City of Lakeland Retirement Services Group and the current record keeper to facilitate what is best for the employee.

# City of Lakeland Request for Proposal

## Service Consultant Role for 457 & 401(a) Plan

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- Allen & Company has worked to empower the City of Lakeland plans' participants by providing educational opportunities, financial planning seminars, one-on-one on-site meetings as well as individualized private meetings held in our offices. We have also hosted mutual fund company "shareholder meetings" to provide the employees the opportunity to receive updates regarding the fund families they are investing with. We consistently maintain contact with various City of Lakeland department heads to offer additional service and set up site visits. We have provided the opportunity and extended invitations to Allen & Company sponsored events through the City of Lakeland InSite. We have included City of Lakeland employees in various Allen & Company client appreciation events scheduled throughout the year. We have seen the assets increase inside the plans due in part to the quality funds that are actively managed. We have also seen a steady increase in plan participation since obtaining the plan in 2006. The success we have experienced with the 457/401(a) plans is directly related to the healthy partnership we have cultivated with the City of Lakeland and the plans' participants. We are proud of this relationship and look forward to the partnership's continued success.
- Allen & Company has also responded to the City of Lakeland's request to offer local financial planning by making available CERTIFIED FINANCIAL PLANNER™ Professionals. Our firm currently has 10 CERTIFIED FINANCIAL PLANNER™ professionals as well as two additional CERTIFIED FINANCIAL PLANNER™ candidates. Our firm has a total of 27 Financial Advisors in both our Lakeland and Winter Haven offices. This affords the City of Lakeland participants and employees the opportunity to obtain personal service from locations in their community. The emphasis on offering one-on-one comprehensive planning was one of the main concerns of the City of Lakeland and we are proud to say that we have had the opportunity to meet with over 640 City of Lakeland employees in our offices to create personal financial plans to help them reach their financial goals. Our firm is committed to the highest level of education related to financial planning and we will continue to improve in this area.
- Allen & Company responded to the concerns and emphasis placed on the fund options and reducing fees, by offering funds at zero asset base charges. Previous City of Lakeland plans' providers had asset based charges above the base mutual fund expenses. Our calculations estimate that the City of Lakeland Plan participants have saved close to \$1,000,000.00 in fees since turning the plans over to Allen & Company. Our goal was to create a list offering the main assets classes that contained top ranked funds according to *Morningstar* and the Investment Policy Statement. Allen & Company developed a committee that included Allen & Company President & CEO Keith Albritton, CFP®, CIMA®, CWS®, Vice President and Director of Financial Planning Michael Wright, CFP®, CWS® and Financial Advisor Fred Lopez, CFP®, CWS® for the sole purpose of providing ongoing due diligence of the investment options in accordance

# City of Lakeland Request for Proposal

## Service Consultant Role for 457 & 401(a) Plan

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with the City of Lakeland Investment Policy Statement. We have met on a quarterly basis in response to the Investment Policy Statement and reported to the Retirement Services Director in charge at the time. Today, after working with Jennifer Kerr for the last two and a half years we have established a productive system of communication and management of the plans. Regardless of who is in charge, we have worked hard to follow the Investment Policy Statement and stay focused on what our committee thinks is best for the City of Lakeland employees.

- Finally, in response to the request from Retirement Services, we have been able to reduce administrative issues by offering clear points of communication as it pertains to Allen & Company or the record keeper. We are happy to take employees' calls and visits to help resolve issues and meet their needs. Our Allen & Company support staff's tenure, education and knowledge of the City of Lakeland's plans helps ensure the plans run smoothly. Cynthia Marotz, one of the team leaders in managing the City of Lakeland 457/401(a) Plans, has played a significant role in facilitating and helping to manage the plans on a day to day basis. She has effectively acted as a liaison for the City of Lakeland and the current record keeper. Her strong skill set coupled with our team's support staff at Allen & Company, have made it easy to address issues and concerns and provide solutions related to all aspects of the plans for The Retirement Services Group and the City of Lakeland employees.

In closing, Allen & Company's team of professionals' commitment to the City of Lakeland sets us apart from other firms both local and national. We know the plan, we know your participants and we know how critical a role effective financial planning can play in obtaining financial success for your participants. Allen & Company has been providing retirement and wealth management services since 1932 and we have built our success with these cornerstones ~ Trust, Integrity and Experience. Our firm's goal is to help the City of Lakeland provide an above average retirement benefit so that our City of Lakeland remains competitive in this new global environment. It has been our pleasure to serve the City of Lakeland and its employees and we look forward to continuing our partnership for the next five years.

# **City of Lakeland Request for Proposal**

## **Service Consultant Role for 457 & 401(a) Plan**

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### **Proposal Submission**

An original, seven (7) copies (collated in sets) and an electronic version on CD must be submitted by December 17, 2010 to:

Mark D. Raiford, CPPB, FCPM, FCPA  
Purchasing Manager  
City of Lakeland  
1140 E. Parker St.  
Lakeland, FL 33801

Any proposal not received by the prescribed date will be returned unopened to the proposer and will be considered non-responsive. Late proposals will not be accepted. Faxed proposals will not be accepted. Proposals must be submitted specifically as outlined and each request for information must be answered thoroughly and accurately.

Questions should be directed to Jennifer V. Kerr, Retirement Services Director 863-834-8794.

### **Proposal Submission**

All responses, inquiries and correspondence relating to or in reference to this RFP and all materials, charts, schedules, exhibits and other documentation produced by proposers will become property of the City of Lakeland and will be available for public inspection in accordance with Florida Statutes. This RFP and the winning vendor's response will be incorporated into the contract by reference.

Issuance of this RFP and receipt of proposals does not commit the City of Lakeland to award a contract, and the City of Lakeland reserves the right to reject any and all proposals. The contract will be awarded to the qualified provider whose proposal is most advantageous to the City of Lakeland, based on a point evaluation system developed by the City of Lakeland. All providers are hereby notified that the execution of a contract pursuant to this RFP is dependent on the negotiation of an acceptable contract with the successful bidder. If such contract cannot be negotiated within a reasonable period, the City of Lakeland will enter into negotiations with the next most highly rated bidder. This RFP and all written material received from the successful firm will be considered contractual obligations unless the conflict with the signed contract.

The acceptance of the proposal will be a notice in writing by a duly authorized representative of the City of Lakeland. No other act of the City of Lakeland shall constitute the acceptance of a proposal.

# **City of Lakeland Request for Proposal**

## **Service Consultant Role for 457 & 401(a) Plan**

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### **INSURANCE REQUIREMENTS**

#### **Revised**

#### **STATEMENT OF PURPOSE**

The City of Lakeland (the "City") from time to time enters into agreements, leases and other contracts with Other Parties (as hereinafter defined). Such Agreements shall contain at a minimum risk management/insurance terms to protect the City's interests and to minimize its potential liabilities.

Accordingly, the following minimum requirements shall apply:

#### **CITY DEFINED**

The term City (wherever it may appear) is defined to mean the City of Lakeland itself, its Commission, employees, volunteers, representatives and agents.

#### **OTHER PARTY DEFINED**

The term Other Party (wherever it may appear) is defined to mean the other person or entity which is the counter-party to the Agreement with the City and any of such Other Party's subsidiaries, affiliates, officers, employees, volunteers, representatives, agents, contractors and subcontractors.

#### **LOSS CONTROL/SAFETY**

Precaution shall be exercised at all times by the Other Party for the protection of all persons, including employees, and property. The Other Party shall comply with all laws, rules, regulations or ordinances related to safety and health, and shall make special effort to anticipate and detect hazardous conditions and shall take such precautionary and prompt action where loss control/safety measures should reasonably be expected.

The City may order work to be stopped at any time, without liability, if conditions exist that present immediate danger to persons or property. The Other Party acknowledges that such stoppage, or failure to stop, will not shift responsibility for any damages from the Other Party to the City.

#### **INSURANCE - BASIC COVERAGES REQUIRED**

The Other Party shall procure and maintain the following described insurance, except for coverage specifically waived by the City of Lakeland, on policies and with insurers acceptable to the City, and insurers with AM Best ratings of no less than A.

These insurance requirements shall in no way limit the liability of the Other Party. The City does not represent these minimum insurance requirements to be sufficient or adequate to protect the Other Party's interests or liabilities, but are merely minimums.

"Except for workers' compensation and professional liability, the Other Party's insurance policies shall be endorsed to name the City of Lakeland as additional insured. It is agreed that the Other Party's

# City of Lakeland Request for Proposal

## Service Consultant Role for 457 & 401(a) Plan

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### **INSURANCE REQUIREMENTS (cont'd)**

#### **INSURANCE – BASIC COVERAGES REQUIRED (cont'd)**

insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by The City of Lakeland for liability arising out of the operations of this agreement."

Except for workers compensation, the Other Party waives its right of recovery against the City, to the extent permitted by its insurance policies.

The Other Party's deductibles/self-insured retentions shall be disclosed to the City and may be disapproved by the City. They shall be reduced or eliminated at the option of the City. The Other Party is responsible for the amount of any deductible or self-insured retention.

Insurance required of the Other Party or any other insurance of the Other Party shall be considered primary, and insurance of the City shall be considered excess, as may be applicable to claims which arise out of the Hold Harmless, Payment on Behalf of the City of Lakeland, Insurance, Certificates of Insurance and any Additional Insurance provisions of this agreement, contract, or lease.

**Commercial General Liability:** This insurance shall be an "occurrence" type policy written in comprehensive form and shall protect the Other Party and the additional insured against all claims arising from bodily injury, sickness, disease, or death of any person other than the Other Party's employees or damage to property of the City or others arising out of any act or omission of the Other Party or its agents, employees, or Subcontractors and to be inclusive of property damage resulting from explosion, collapse or underground (xcu) exposures. This policy shall also include protection against claims insured by usual personal injury liability coverage, and to insure the contractual liability assumed by the Other Party under the article entitled **INDEMNIFICATION**, and "**Products and Completed Operations" coverage.**

The Other Party is required to continue to purchase products and completed operations coverage for a minimum of three years beyond the City's acceptance of renovation or construction properties.

The liability limits shall not be less than:

Bodily Injury and \$1,000,000, Property Damage Single limit each occurrence

**Business Automobile Liability:** Business Auto Liability coverage is to include bodily injury and property damage arising out of ownership, maintenance or use of any auto, including owned, non-owned and hired automobiles and employee non-ownership use.

The liability limits shall not be less than:

Bodily Injury and \$300,000, Property Damage Single limit each occurrence

# **City of Lakeland Request for Proposal**

## **Service Consultant Role for 457 & 401(a) Plan**

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**Workers' Compensation:** Workers' Compensation coverage to apply for all employees for statutory limits and shall include employer's liability with a limit of \$100,000 each accident, \$500,000 disease policy limits, \$100,000 disease limit each employee. ("All States" endorsement is required where applicable). If exempt from Worker's Compensation coverage, as defined in Florida Statute 440, the Other Party will provide a copy of State Workers' Compensation exemption.

All subcontractors shall be required to maintain Worker's Compensation.

The Other Party shall also purchase any other coverage required by law for the benefit of employees.

### **ADDITIONAL INSURANCE**

**Additional Insurance:** The City requires the following types of insurance.

**Professional Liability/Malpractice/Errors or Omissions Insurance:** The Other Party shall carry professional malpractice insurance throughout the term of this Contract and shall maintain such coverage for an extended period of three (3) years after completion and acceptance of any work performed hereunder. At all times throughout the period of required coverage, said coverage shall insure all claims accruing from the first date of the Contract through the expiration date of the last policy period. In the event that Other Party shall fail to secure and maintain such coverage, Other Party shall be deemed the insurer of such professional malpractice and shall be responsible for all damages suffered by the City as a result thereof, including attorney's fees and costs.

The liability limits shall not be less than: \$5,000,000

### **EVIDENCE/CERTIFICATES OF INSURANCE**

Required insurance shall be documented in Certificates of Insurance which provide that the City shall be notified at least 30 days in advance of cancellation, nonrenewable, or adverse change.

New Certificates of Insurance are to be provided to the City at least 15 days prior to coverage renewals. If requested by the City, the Other Party shall furnish complete copies of the Other Party's insurance policies, forms and endorsements.

For Commercial General Liability coverage the Other Party shall, at the option of the City, provide an indication of the amounts of claims payments or reserves chargeable to the aggregate amount of liability coverage.

Receipt of certificates or other documentation of insurance or policies or copies of policies by the City, or by any of its representatives, which indicate less coverage than required does not constitute a waiver of the Other Party's obligation to fulfill the insurance requirements herein.

# City of Lakeland Request for Proposal

## Service Consultant Role for 457 & 401(a) Plan

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### INDEMNIFICATION

#### Consultant

To the fullest extent permitted by laws and regulations, and in consideration of the amount stated on any Purchase Order or Task Authorization, the Consultant shall indemnify and hold harmless the City, and its officers and employees, from all liabilities, damages, losses, and costs, including, but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the Consultant and other persons employed or utilized by the Consultant in the performance of this Contract.

In any and all claims against the City, or any of its officers or employees, by any person employed or utilized by the Consultant in the performance of this Contract, this indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Consultant or any other person or organization under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts, nor shall this indemnification obligation be limited in any way by any limitation on the amount or type of insurance coverage provided by the City, the Consultant, or any other person or organization.

**Applicability:** It is the express intent of the Consultant that this agreement shall apply for the project(s) or time period indicated below. (Check and complete one):

Agreement is applicable to all contracts, purchase orders and other work performed for the City of Lakeland for the time period of not more than five (5) years.

\_\_\_\_\_ to \_\_\_\_\_.  
(Date) (Date)

(OR)

Agreement is limited to Purchase Order # \_\_\_\_\_, or Contract dated \_\_\_\_\_.

**Subrogation:** The Consultant and its Subcontractors shall require their insurance carriers, with respect to all insurance policies, to waive all rights of subrogation against the City, except for "Professional Liability." In the case of "Professional Liability," the Consultant and its Subcontractors shall require their insurance carriers to waive all rights of subrogation except in situations where gross negligence is shown on the part of the City.

# City of Lakeland Request for Proposal

## Service Consultant Role for 457 & 401(a) Plan

**Release of Liability:** Acceptance by the Consultant of the last payment shall be a release to the City and every officer and agent thereof, from all claims and liability hereunder for anything done or furnished for, or relating to the work, or for any act or neglect of the City or of any person relating to or affecting the work unless otherwise specified in a written agreement between Consultant and City at the time of final payment.

**Savings Clause:** The parties agree that to the extent the written terms of this Indemnification conflict with any provisions of Florida laws or statutes, in particular Sections 725.06 and 725.08 of the Florida Statutes, the written terms of this indemnification shall be deemed by any court of competent jurisdiction to be modified in such a manner as to be in full and complete compliance with all such laws or statutes and to contain such limiting conditions, or limitations of liability, or to not contain any unenforceable or prohibited term or terms, such that this Indemnification shall be enforceable in accordance with and to the greatest extent permitted by Florida Law.

**CITY OF LAKELAND** \_\_\_\_\_

Name of Organization

**BY: BY:** \_\_\_\_\_

Karen Lukhaub, Director of Risk Management Signature of Owner or Officer

**DATE ATTEST:** \_\_\_\_\_

Corporate Secretary or Witness

**STATE OF:** \_\_\_\_\_

Organization Phone Number

**COUNTY OF:** \_\_\_\_\_ **PHONE:** \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2010

by \_\_\_\_\_ of \_\_\_\_\_.

Printed Name of Owner / Officer Corporate or Company Name

He/She is personally known to me or has produced \_\_\_\_\_ as

State Drivers License Number

identification, and did \_\_\_\_\_ / did not \_\_\_\_\_ take an oath.

\_\_\_\_\_  
Signature of Person Taking Acknowledgment

\_\_\_\_\_  
Printed Name of Person Taking Acknowledgment

\_\_\_\_\_  
Serial Number, if any Notary Seal