

THIRD AMENDMENT

This Amendment made and entered into this __7th__ day of __June__, 2022, by and between Pinellas County, a political subdivision of the State of Florida, hereinafter referred to as "County," and Willis Towers Watson US LLC, hereinafter referred to as "Contractor," (individually referred to as "Party", collectively "Parties").

WITNESSETH:

WHEREAS, the County and the Contractor entered into an agreement on May 21, 2019, pursuant to Pinellas County Contract No. 178-0396-P (hereinafter "Agreement") pursuant to which the Contractor agreed to provide Employee Benefits Consulting services for County; and

WHEREAS, Section twenty-one (21) of the Agreement permits modification by mutual written agreement of the parties; and

WHEREAS, the County and the Contractor now wish to modify the Agreement.

NOW THEREFORE, the Parties agree that the Agreement is amended as follows:

1. Section 5. Compensation and Method of Payment, subsection B is revised to reflect an increase in the amount of \$675,000.00 for a revised contract total not to exceed amount of \$2,050,000.00.
2. Contractor will provide the benchmarking study services provided in Section F of the Agreement for an additional \$47,000.00 total.
3. Incorporate the attached Defined Contribution 457 Plan Statement of Work to the Agreement as Attachment 1.

Except as changed or modified herein, all provisions and conditions of the original Agreement and any amendments thereto shall remain in full force and effect.

Each Party to this Amendment represents and warrants that: (i) it has the full right and authority and has obtained all necessary approvals to enter into this Amendment; (ii) each person executing this Amendment on behalf of the Party is authorized to do so; (iii) this Amendment constitutes a valid and legally binding obligation of the Party, enforceable in accordance with its terms.

IN WITNESS WHEREOF the Parties herein have executed this Third Amendment as of the day and year first written above.

PINELLAS COUNTY, FLORIDA
by and through its
Board of County Commissioners



BY: _____
Commissioner Charlie Justice
Charlie Justice, Chairman



CONTRACTOR:



Authorized Signature

Michelle LeVecque

Printed Authorized Signature

Senior Director, Health & Benefits

Title Authorized Signature

ATTEST:
KEN BURKE



Deputy Clerk Derelynn Revie

APPROVED AS TO FORM

By: Keiah Townsend
Office of the County Attorney



DEFINED CONTRIBUTION 457 PLANS' FEE BENCHMARKING AND INFORMAL PRICING REQUEST – STATEMENT OF WORK

Willis Towers Watson is pleased to present this Statement of Work (“SOW”) to provide defined contribution fee benchmarking services and an informal pricing request of the recordkeeping vendors for the Pinellas County 457 Deferred Compensation Plans (the “Plans”). We appreciate the opportunity to provide this SOW for your consideration and look forward to working with you on these projects. Please feel free to contact us if you would like to modify the scope or otherwise have questions about this proposed statement of work.

Our Understanding of Your Needs

Currently, Pinellas County receives recordkeeping and administrative services for the Plans from four separate Recordkeepers: Empower Retirement, ICMA-RC, Nationwide, and VALIC. We understand that Pinellas County is seeking a partner to assist with the following objectives for a Fee Benchmarking and an Informal Pricing Request project:

I. Fee Benchmarking

- Gain a thorough understanding of how current fees are charged today for each recordkeeping provider
- Gather benchmark pricing data to compare the County's pricing across all four recordkeeping vendors, individually and in total, to benchmark rates for defined contribution 457 plans of similar size and number of participants
- Understand if there is a potential cost savings to employees and/or the County by consolidating assets under one vendor
- Provide support in negotiating reduced fees from each recordkeeper
- Determine if there is enough potential cost savings to warrant the significant added time and expense of going through a formal RFP process



II. Informal Pricing Request

- Model potential cost savings by consolidating assets under one vendor, versus keeping four Recordkeepers
- Understand the impact on pricing by modernizing the Plan investment features:
 - Moving to open fund architecture platform without fund restrictions by the recordkeeper
 - Eliminating embedded fees and/or investment revenue share in the investment expenses
 - Removing proprietary investment requirements by the recordkeepers
 - Streamlining investments across recordkeepers
 - Opening options for ESG investments
- Understand pricing impact to employees of preserving the current high-yielding fixed account versus making platform changes that could result in a loss of access to the existing fixed account rate
- Provide support in negotiating reduced fees from each recordkeeper
- Determine if there is enough potential cost savings to warrant the significant added time and expense of going through a formal RFP process

Detailed project plans are provided in Appendix A.

Terms and Conditions

The services described in this letter will be provided subject to the terms and conditions from the Services Agreement dated May 21, 2019 (“Agreement”).

In the event of any conflict or inconsistency between the terms of this SOW and the terms of the Agreement, the terms of the Agreement shall prevail as to the Services performed pursuant to this SOW whether or not documented in this SOW.



Fees and Assumptions

Willis Towers Watson fees are fixed fees and assume we will perform all actions described in this SOW and can be broken down as follows:

Project Fee Summary	Fixed Fee
Project 1: DC Fee Benchmarking	\$19,000
Project 2: Informal Pricing Request	\$38,000
Combined Projects 1 and 2 *	\$47,000

* If Pinellas County elects to engage Willis Towers Watson to perform both the DC Fee Benchmarking and the Informal Pricing Request simultaneously, we avoid duplication of effort in reviewing updated pricing proposals received from the four existing recordkeepers under each project. Therefore, we are able to provide services for both projects if done simultaneously for a reduced combined fee of \$47,000.

Willis Towers Watson will invoice in three installments beginning at commencement of the project. Payments are due 45 days after invoices are issued.

We have made the following assumptions when preparing this SOW:

- Includes only the existing four recordkeepers for the County of Pinellas' 457 Plans
- Investments will only be included in the analysis insofar as they impact vendor pricing. This project will not include any investment analysis, guidance or recommendations.
- Defined Contribution benchmark data will be provided by RPAG through Prism, PLANFEES, and are specific to defined contribution plans of similar asset size and number of participants as the County of Pinellas' 457 Plans.
- Data needed to provide this work will be received timely and in good order.
- If the project outcome includes reduced fees for the 457 Plans and/or updated service contracts, WTW's fees for reviewing the updated service contracts between the respective recordkeeper and the County of Pinellas can be provided through an amendment to this SOW or a separate SOW.



In Conclusion

We appreciate this opportunity to describe our services and would welcome the opportunity to work with Pinellas County on this important project.

If you would like WTW to perform the services differently from how they are described above or to perform additional consulting services not contained within this SOW, we would be happy to discuss. Otherwise, if the terms above meet with your agreement, please have an authorized representative of Pinellas County sign below and return a PDF of the signed copy to my attention.

* * * * *

Signed by and on behalf of:

WILLIS TOWERS WATSON US LLC

By: 

Print Name: Scott Schechinger

Print Title: Director, Retirement

Date: April 4, 2022

Accepted and agreed on behalf of:

PINELLAS COUNTY GOVERNMENT

By: _____

Print Name: _____

Print Title: _____

Date: _____

cc: Michelle LeVecque – Willis Towers Watson

Project Scope Details

I. Fee Benchmarking, Approach and Timing

Willis Towers Watson will review the current fees of the plans and comment on appropriateness compared to similarly sized plans in the defined contribution 457 marketplace. We will review the expense ratios associated with the current fund line-up, and comment on the reasonableness of these expenses versus benchmarks for plans that are comparable in size using a three-phase approach:

Step — Timing	Description
Phase I – Project Initiation and Data Collection	
Collection of data and inventory of documents <i>Weeks 1-2</i>	<ul style="list-style-type: none"> ■ One-hour call to review project scope, data requirements and timing ■ Request information needed to conduct the fee assessment accurately <ul style="list-style-type: none"> ■ Most documents and data will come from the recordkeepers ■ Willis Towers Watson can work directly with contacts at each recordkeeper to minimize resources required from the County of Pinellas ■ Inventory the documents as they are received ■ Follow up with each recordkeepers on any missing documents

Step — Timing	Description
Phase II – Analysis	
Assessment of current plan fees and benchmarking <i>Weeks 3-5</i>	<ul style="list-style-type: none"> ■ Assess fee disclosures, reports, and additional documentation provided by the four vendors to understand how direct and/or indirect soft dollar fees are being charged to the plan today ■ Analyze investment data asset-weighted fund expenses across each of the four vendors to understand direct costs of fund expenses and the impact of any soft-dollar fees imbedded in the fund expenses ■ Gather information on transaction reporting to understand and integrate the effects “one-off” transactions add to the total costs of the Plan ■ Normalize key variables across the four vendors that determine service expense to facilitate fee comparison ■ Combine costs of all four vendors to show and compare the total combined cost of the plan, across vendors ■ Gather benchmark pricing data to compare the County’s pricing across all four recordkeeping vendors, individually and in total, to benchmark rates for defined contribution 457 plans of similar size and number of participants ■ Existing investment fund lineup(s) will not change for this fee benchmark assessment

Step — Timing	Description
Phase III – Producing and Presenting Results	
Summarize findings and prepare report to review with the County of Pinellas <i>Weeks 6-8</i>	<ul style="list-style-type: none"> ■ Summarize market review findings from Phase II ■ Prepare report based on all information reviewed during the project <ul style="list-style-type: none"> ■ Key findings ■ Fee market review results ■ One-hour call to review overall results

II. Informal Pricing Request, Approach and Timing

Willis Towers Watson will review the current fees of the Plans and compare them to the pricing we receive from each of the four existing 457 Plan recordkeepers using a three-phase approach:

Step — Timing	Description
Phase I – Project Initiation and Data Collection	
Collection of data and inventory of documents <i>Weeks 1-2</i>	<ul style="list-style-type: none"> ■ One-hour call to review project scope, data requirements and timing ■ Request information/data needed to understand current fees with each of the four current recordkeeping vendors ■ Request quote from each of the four vendors under two scenarios: <ul style="list-style-type: none"> ■ Scenario 1 – Consolidate all assets with them, using only one vendor, keeping all investments, platforms, and services the same as today ■ Scenario 2 – Consolidate all assets with them, using only one vendor, and modernizing the investment platform ■ Request updated pricing based on current plan design, plan sponsor and participant services and investment fund lineup. Inventory the documents as they are received <ul style="list-style-type: none"> ■ Follow up with each recordkeeper on any missing documents

Step — Timing	Description
Phase II – Analysis	
<p>Assessment of current Plan fees and benchmarking</p> <p><i>Weeks 3-5</i></p>	<ul style="list-style-type: none"> ■ Understand and analyze current pricing of four recordkeepers <ul style="list-style-type: none"> ■ Assess fee disclosures, reports, and additional documentation provided by the four vendors to understand how direct and/or indirect soft dollar fees are being charged to the plan today ■ Analyze mutual fund/investment asset-weighted fund expenses across each of the four vendors to understand direct costs of fund expenses and the impact of any soft-dollar fees imbedded in the fund expenses ■ Gather information on transaction reporting to understand and integrate the impact of “one-off” transactions to the total costs of the Plans ■ Normalize key variables across the four vendors that determine service expense to facilitate fee comparison ■ Combine costs of all four vendors to show and compare the total combined cost of the Plan, across vendors ■ Analyze pricing if all assets are moved to just one recordkeeping vendor under two scenarios: <ul style="list-style-type: none"> ■ Scenario 1 – maintain current platform, investments, and services ■ Scenario 2 – upgrade/modernize investment platform ■ Repeat steps from above for both scenarios (see “Understand and analyze current pricing” from previous bullet point) ■ Compare any price reductions from vendors if no changes are made and the County keeps all vendors, services, and investments the same

Step — Timing	Description
Phase III – Producing and Presenting Results	
<p>Summarize findings and prepare report to review with the Pinellas County</p> <p><i>Weeks 6-8</i></p>	<ul style="list-style-type: none"> ■ Summarize market assessment findings from Phase II ■ Prepare report based on all information reviewed during the project ■ One-hour call to review overall results