

# CITY OF TUCSON

## Deferred Compensation Plan Management Board

### REQUEST FOR PROPOSAL

**PROPOSAL DUE DATE:** Wednesday, September 25, 2019 AT 4:00 P.M. LOCAL AZ TIME

**PROPOSAL SUBMITTAL LOCATION:** Department of Human Resources  
255 W. Alameda, 3rd Floor, Tucson, AZ 85701

**MATERIAL OR SERVICE:** 457(b) & 401(a) Recordkeeping Services

**Contact:** Art Cuaron  
**TELEPHONE NUMBER:** (520) 837-4379  
Art.cuaron@tucsonaz.gov

A copy of this solicitation and possible future amendments may be obtained from our Internet site at: <https://www.tucsonaz.gov/retirement/deferred-compensation>

Competitive sealed proposals for the specified material or service shall be received by the Department of Human Resources, 255 W. Alameda, 3rd Floor, Tucson, Arizona 85701, until the date and time cited.

Proposals must be in the actual possession of the Department of Human Resources at the location indicated, on or prior to the exact date and time indicated above. Late proposals shall not be considered. The prevailing clock shall be the City Department of Human Resources clock.

Proposals must be submitted in a sealed envelope. The Offeror's name and address should be clearly indicated **on the outside** of the envelope. All proposals must be completed in ink or typewritten. Questions must be addressed to the Contact listed above on or before Friday, September 6, 2019. The City will combine all inquiries and issue one amendment responding to the questions on or before Friday, September 13, 2019. Questions and inquiries related to this RFP will not be accepted after 5:00 p.m. on September 6, 2019.

## INTRODUCTION

The City of Tucson's Deferred Compensation Plan Management Board is seeking proposals from qualified firms to provide 457(b) & 401(a) Recordkeeping Services, as described herein.

**During the evaluation process, the Board may want to conduct site visits of the chosen finalists. Should this decision be made, the costs associated with the travel and accommodations will be borne by the vendors.**

## BACKGROUND

The City's 401(a) and 457(b) Deferred Compensation plan was established to provide City employees with an additional retirement savings option that provides pre-tax savings to participating employees. As of March 31, 2019, the plan has a combined asset portfolio totaling \$277M with over 4,000 participant accounts. The current record keeper for the plan is ICMA-RC and the portfolio contains funds in the following asset categories: Bonds, US Equities, International Equities, Target Date Funds, Balanced Allocation Funds and Specialty/Other Funds.

The City's Deferred Compensation program is managed by a 5-member Board of Trustees that oversees the plan and record keeper. The plan is internally managed by City's Pension & Benefits Administrator with support from the Retirement Division. Board meetings are held quarterly in the City of Tucson Offices located in City Hall.

Plan goals and objectives include (in no particular order):

- Analyze available retirement plan marketplace for operational and technological efficiencies
- Ensure proper recordkeeper personnel are assigned to the plan
- Improve participants' retirement readiness
- Enhance formal education to employees and the plan sponsor
- Reduce participant and plan expenses
- Formalize the recordkeeper/plan sponsor responsibilities

**The City of Tucson plan demographics are listed in the tables and charts below.**

Plan Number	IRS Code
106302	401(a)
107425	401(a)
107715	401(a)
301512	457
591512	457
705608	IRA

### Plan Demographics 106302

<b>(106302) Balance, Growth, and Participation Statistics as of 12/31 each year</b>			
	2017	2018	3/31/2019
<b>Market Value</b>			
<b>Total</b>	\$6,069,878.42	\$5,772,253.65	\$6,103,547.24
<b>Contributions</b>			
Employee Contributions	\$145,685.29	\$82,670.87	\$19,222.23
Discretionary Matching Contributions OR Employer Contributions	\$0	\$0	\$0
Rollovers into the Plan	\$100,000.000	\$0	\$0
<b>Total</b>	\$245,685.29	\$82,670.87	\$19,222.23
<b>Distributions</b>			
<b>Total</b>	\$111,989.85	\$298,538.33	\$131,784.94
<b>Participants with a Balance</b>			
	84	80	76

<b>(106302) Overall Participation as of 3/31/2019</b>	
Actively Contributing	9
Inactive / Terminated with Balance	67
Total Participants with an Account Balance	76

<b>(106302) Outstanding Loans as of 3/31/2019</b>	
New loans (1/1/2019-3/31/2019)	0
Total Outstanding Loans	0
Balance	\$0

<b>(106302) Managed Accounts as of 3/31/2019</b>	
Number of Participants	1
Balance	\$11,474.31

#### Plan Demographics 107425

<b>(107425) Balance, Growth, and Participation Statistics as of 12/31 each year</b>			
	2017	2018	3/31/2019
<b>Market Value</b>			
<b>Total</b>	\$476,558.52	\$534,430.91	\$612,293.68
<b>Contributions</b>			
Employee Contributions	\$0	\$0	\$0
Discretionary Matching Contributions OR Employer Contributions	\$103,999.63	\$82,996.10	\$19,615.44
Rollovers into the Plan	\$0	\$0	\$0
<b>Total</b>	\$103,999.63	\$82,996.10	\$19,615.44
<b>Distributions</b>			
<b>Total</b>	\$0	\$0	\$0
<b>Participants with a Balance</b>			
	5	5	5

<b>(107425) Overall Participation as of 3/31/2019</b>	
Actively Contributing	4
Terminated /inactive with Balance	1
Total Participants with an Account Balance	5

<b>(107425) Outstanding Loans as of 3/31/2019</b>	
New loans (1/1/2019-3/31/2019)	0
Total Outstanding Loans	0
Balance	\$0

<b>(107425) Managed Accounts as of 3/31/2019</b>	
Number of Participants	0
Balance	\$0

## Plan Demographics 107715

<b>(107715) Balance, Growth, and Participation Statistics as of 12/31 each year</b>			
	<b>2017</b>	<b>2018</b>	<b>3/31/2019</b>
<b>Market Value</b>			
<b>Total</b>	\$124,982.21	\$121,828.86	\$121,063.64
<b>Contributions</b>			
Employee Contributions	\$0	\$0	\$0
Discretionary Matching Contributions OR Employer Contributions	\$0	\$0	\$0
Rollovers into the Plan	\$0	\$0	\$0
<b>Total</b>	\$124,982.21	\$121,828.86	\$121,063.64
<b>Distributions</b>			
<b>Total</b>	\$18,000.00	\$6,000.00	\$1500.00
<b>Participants with a Balance</b>			
	1	1	1

<b>(107715) Overall Participation as of 3/31/2019</b>	
Actively Contributing	0
Terminated with Balance	1
Total Participants with an Account Balance	1

<b>(107715) Outstanding Loans as of 3/31/2019</b>	
New loans (1/1/2019-3/31/2019)	0
Total Outstanding Loans	0
Balance	\$0

<b>(107715) Managed Accounts as of 3/31/2019</b>	
Number of Participants	0
Balance	\$0

## Plan Demographics 301512

<b>(301512) Balance, Growth, and Participation Statistics as of 12/31 each year</b>			
	<b>2017</b>	<b>2018</b>	<b>3/31/2019</b>
<b>Market Value</b>			
<b>Total</b>	\$249,024,379.87	\$257,032,541.50	\$270,575,528.49
<b>Contributions</b>			
Employee Contributions	\$9,348,549.83	\$8,981,851.05	\$2,222,315.04
Discretionary Matching Contributions OR Employer Contributions	\$0	\$0	\$0
Rollovers into the Plan	\$1,767,994.65	\$1,132,036.52	\$360,116.27
<b>Total</b>	\$11,116,544.48	\$10,113,887.57	\$2,582,431.31
<b>Distributions</b>			
<b>Total</b>	\$11,585,090.5	\$9,764,535.62	\$2,952,346.03
<b>Participants with a Balance</b>			
	4,134	4,122	4,118

<b>(301512) Overall Participation as of 3/31/2019</b>	
Actively Contributing	2,181
Terminated / inactive with Balance	1,937
Total Participants with an Account Balance	4,118

<b>(301512) Outstanding Loans as of 3/31/2019</b>	
<b>New loans (1/1/2019-3/31/2019)</b>	51 participants; \$5,124,744.72
<b>Total Outstanding Loans</b>	666
<b>Balance</b>	\$5,018,928.33

<b>(301512) Managed Accounts as of 3/31/2019</b>	
<b>Number of Participants</b>	369 participants
<b>Balance</b>	\$10,722,287 in assets

## Plan Demographics 591512

<b>(591512) Balance, Growth, and Participation Statistics as of 12/31 each year</b>			
	<b>2017</b>	<b>2018</b>	<b>3/31/2019</b>
<b>Market Value</b>			
<b>Total</b>	<b>\$593,451</b>	<b>\$497,057</b>	<b>\$1,326,715</b>
Employee Contributions	0	0	0
Discretionary Matching Contributions OR Employer Contributions	0	0	0
Rollovers into the Plan	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Distributions</b>			
<b>Total</b>	<b>\$203,605</b>	<b>\$51,780</b>	<b>\$10,232</b>

<b>(591512) Overall Participation as of 3/31/2019</b>	
Actively Contributing	0
Terminated / inactive with Balance	0
<b>Total Decedent Accounts with Balance</b>	<b>7</b>

## Plan Demographics 705608

<b>(705608) Balance, Growth, and Participation Statistics as of 12/31 each year</b>			
	<b>2017</b>	<b>2018</b>	<b>3/31/2019</b>
<b>Market Value</b>			
<b>Total</b>	<b>\$865,154</b>	<b>\$933,995</b>	<b>\$1,075,393</b>
Employee Contributions	\$113,030	\$167,541	\$40,512
Discretionary Matching Contributions OR Employer Contributions	0	0	0
Rollovers into the Plan	0	0	0
<b>Total</b>	<b>\$113,030</b>	<b>\$167,541</b>	<b>\$40,512</b>
<b>Distributions</b>			
<b>Total</b>	<b>\$57,205</b>	<b>\$40,698</b>	<b>\$500</b>

<b>(705608) Overall Participation as of 3/31/2019</b>	
Actively Contributing	56
Terminated / inactive with Balance	31
<b>Total Participants with an Account Balance</b>	<b>87</b>

**Fund Lineup as of 3/31/2019**

<b>Name</b>	<b>Value</b>
American Funds Capital World Growth & Income Fund	\$7,759,083.00
Buffalo Discovery Fund	\$6,066,308.59
Goldman Sachs Global Income Fund	\$854,643.61
Invesco Oppenheimer Developing Markets Fund	\$2,609,002.47
Invesco Oppenheimer International Growth Fund	\$760,343.67
JP Morgan Equity Income Fund	\$11,598,846.21
JPMorgan Small Cap Core Fund	\$3,095,534.30
JPMorgan US Equity Fund	\$4,282,396.27
Nuveen Real Estate Securities Fund	\$1,992,499.37
PIMCO High Yield Fund	\$2,248,417.72
PIMCO Low Duration Fund	\$337,743.83
PIMCO Real Return Fund	\$1,292,119.28
PIMCO Total Return Fund	\$4,092,910.36
T Rowe Price® Personal Strategy Balanced Fund	\$7,698,386.06
T Rowe Price® Growth Stock Fund	\$19,770,246.95
T Rowe Price® Personal Strategy Growth Fund	\$14,281,561.73
T Rowe Price® Personal Strategy Income Fund	\$2,355,945.36
T Rowe Price® QM US Small Cap Growth Equity Fund	\$1,788,015.46
Vanguard 500 Index Fund	\$15,221,714.50
Vanguard Mid-Cap Index Fund	\$6,501,518.07
Vanguard Small-Cap Index Fund	\$4,478,705.01
Vanguard Total Bond Market Index	\$4,932,432.12
VantageBroker	\$3,987,843.33
Vantagepoint Milestone 2010 Fund	\$1,145,183.67
Vantagepoint Milestone 2015 Fund	\$1,318,378.82
Vantagepoint Milestone 2020 Fund	\$3,130,417.63
Vantagepoint Milestone 2025 Fund	\$2,227,074.14
Vantagepoint Milestone 2030 Fund	\$2,752,461.38
Vantagepoint Milestone 2035 Fund	\$2,678,883.55
Vantagepoint Milestone 2040 Fund	\$1,643,873.13
Vantagepoint Milestone 2045 Fund	\$1,530,179.01
Vantagepoint Milestone 2050 Fund	\$209,264.46
Vantagepoint Milestone 2055 Fund	\$164,146.31
Vantagepoint Milestone Retirement Income Fund	\$1,427,704.60
Vantagepoint Model Portfolio Global Equity Growth Fund	\$3,537,539.38
Vantagepoint PLUS Fund	\$99,983,446.55
Victory Sycamore Established Value Fund	\$1,203,215.40
Victory Sycamore Small Company Opportunity Fund	\$649,838.45
VT 5 Year BoA CD Account	\$6,105.51
VT Cash Management Fund	\$772,204.58
VT Contrafund®	\$16,741,729.83
VT Diversified International Fund	\$3,902,446.06
VT Retirement IncomeAdvantage Fund	\$4,205,372.92
<b>Total</b>	<b>\$277,235,682.70</b>

**Capital Preservation Account**

The City utilizes the VantagePoint Plus Fund R11 which has a current crediting rate of 2.52% as of 3/31/2019.

<b>Crediting Rate</b>	
2018 Net Crediting Rate:	<b>Annualized crediting rate as of 12/31/2018 was 2.43%.</b>
2017 Net Crediting Rate:	<b>Annualized crediting rate as of 12/31/2017 was 2.26%</b>
2016 Net Crediting Rate:	<b>Annualized crediting rate as of 12/31/2016 was 2.04%.</b>
Guaranteed for how long:	<b>N/A</b>
Guaranteed Contract Floor:	<b>N/A</b>

<b>Year-End Date</b>	<b>Market-to-Book Value</b>
2018	<b>98.94%</b>
2017	<b>100.53%</b>
2016	<b>100.29%</b>
2015	<b>100.20%</b>
2014	<b>101.45%</b>
2013	<b>100.60%</b>
2012	<b>103.22%</b>
2011	<b>102.42%</b>
2010	<b>101.37%</b>
2009	<b>99.74%</b>
2008	<b>95.18%</b>

### **Withdrawal Provisions**

#### **VantagePoint Plus Fund**

The Vantagepoint PLUS Fund is benefit responsive and allows for benefit payments at book value. The Fund offers daily liquidity to individual participants for such benefit payments. Further, participants have full liquidity to move monies from the Vantagepoint PLUS Fund to any other mutual fund options. However, due to restrictions from financial wrap contract issuers, direct transfers from the Vantagepoint PLUS Fund to self-directed brokerage accounts or other competing funds are not permitted. Funds considered to be competing include, but are not limited to, short-term fixed income funds, money market funds, certificate of deposit products, or other stable value products. Investors must transfer their money to a non-competing fund for 90 days (equity wash) before investing in a competing fund (this includes assets in the Vantagepoint PLUS Fund transferred to co-providers, if applicable). Whether or not a particular fund is a competing fund will be determined, at the sole discretion of ICMA-RC, on a fund-by-fund basis. ICMA-RC retains full discretion to release employer-initiated Vantagepoint PLUS Fund withdrawals at book value in an orderly manner over a period of up to 12 months from the date ICMA-RC receives written notification from the employer that it is initiating withdrawals from the Vantagepoint PLUS Fund. This restriction on employer withdrawals from the Vantagepoint PLUS Fund does not apply to participant directed withdrawals from the Fund. The Vantagepoint PLUS Fund remains benefit responsive to participants eligible to take participant-directed withdrawals from the Fund. ICMA-RC does not impose any financial market value adjustments or other financial penalties on withdrawals or transfers among mutual funds or rollover of mutual funds to another provider (aside from amortization schedules for the payment of such charges imposed by other vendors and charges for early withdrawal from bank CDs).

#### **VT Retirement IncomeAdvantage Fund**

If the plan sponsor changes retirement plan providers, the plan sponsor must enter into a new group variable annuity contract issued by Prudential Retirement Insurance and Annuity Company ("Prudential") to maintain the VT Retirement IncomeAdvantage Fund's guarantees. The new contract is subject to regulatory filing and approval and may have significantly different terms and conditions than those applicable to the Fund. If the plan sponsor removes the Fund as an option and maps the market value of the Fund to another investment option within the plan, the guarantees will end.

## **SCOPE OF WORK**

The City of Tucson Deferred Compensation Plan Management Board is seeking a recordkeeper that will provide the following scope of work to the City and its plan participants.

### **Participant Services and Employee Education & Communication Support**

1. Contractor shall develop and maintain custom branded participant website and employee communication materials.
2. Contractor shall provide at least 1 local representative.
3. The firm's local service representative assigned to the City shall not receive commission-based compensation or any financial incentives directly as a result of any interaction with a participant.
4. Contractor will be expected to have personnel (representatives) to attend onsite meetings at the following City locations, including but are not limited to, group presentations, one-on-one retirement planning meetings, investment advice, investment reviews, enrollment meetings, monthly committee meetings, sub-committee meetings, City Council meetings, and other incidental meetings related to administration of the 457(b) and 401(a) plans and the plan design, as requested. Meeting times must consider varying shift schedules and seasonal employees.
5. Contractor shall participate at each of the new employee orientation, benefit and retirement fairs.

### **Recordkeeping, Administrative and Plan Sponsor Services**

1. Contractor must offer a bundled service solution (i.e., recordkeeping/administration, communication, education, custodial trustee services and an open investment management platform).
2. Contractor shall have the ability to provide automated processes in order to minimize administrative burden on plan sponsor.
3. Contractor shall have the ability to process and maintain participant loans through an ACH process, and not processed through payroll deduction.
4. Contractor shall have the ability to process and implement participant domestic relations orders.
5. Investment of payroll contributions must be credited to participant accounts no later than one day following the day of receipt of the funds.
6. Contractor shall have the ability to accept the delegation to administer unforeseen emergency withdrawals.
7. The record keeper must handle benefit distribution processing including required notices, checks, tax withholding and tax reporting on Form 1099-R.
8. The record keeper will have a designated Client Service Manager interact with the contact at the City on any issues that need special attention. This will include but not be limited to contributions, loans, reimbursements, disbursements, issues arising from required minimum distributions, and other participant questions that may require additional processing information.
9. Contractor must have compliant SSAE 16 on internal controls for a service organization.
10. Contractor shall attend quarterly Board meetings and plan analytic reporting for the Board and participants. At least one meeting per annum shall be attended in person.
11. Contractor shall work with and provide all pertinent and relevant data to investment advisor.

### **Investment Services**

1. Contractor must have an investment platform which provides access to an open universe of investment alternatives including mutual funds and collective investment trusts.
2. Contractor fee shall not include proprietary fund or managed account requirements.
3. Contractor shall have the ability to record-keep an open architecture mutual fund lineup.
4. Contractor shall provide a Self-directed Brokerage Account window.

### **Fees and Expenses**

1. Contractor shall have a clearly stated revenue requirement, stated as both an asset-based fee and per participant fee, along with the corresponding dollar amount equivalent.
2. Contractor shall have the ability to pass back any and all revenue generated by investment options directly back to the plan participants who generates the revenue.

### **Transition Services**

1. Contractor shall demonstrate ability to complete an organized, effective plan conversion, including but not limited to: transfer of all assets, fully operational and accessible website for plan administration and participants, integration with City systems, account data completed and reconciled, minimizing the blackout period to no longer than 5 business days.
2. Contractor shall have a dedicated transition team.
3. Contractor shall have a thoughtful and robust conversion education plan

## INSTRUCTIONS TO OFFERORS

### 1. DEFINITION OF KEY WORDS USED IN THE SOLICITATION:

For purposes of this solicitation and subsequent contract, the following definitions shall apply:

**Board:** Deferred Management Compensation Board

**City:** The City of Tucson, Arizona

**Contract:** The legal agreement executed between the City and the Contractor. The Contract shall include this RFP document incorporated herein by reference, all terms, conditions, specifications, scope of work, Amendments, the Contractor's offer and negotiated items as accepted by the Board.

**Contractor:** The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the Board.

**Contract Representative:** The City employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and is responsible for monitoring and overseeing the Contractor's performance under this Contract.

**May:** Indicates something that is not mandatory but permissible.

**Offeror:** The individual, partnership, or corporation who submits a proposal in response to a solicitation.

**Shall, Will, Must:** Indicates a mandatory requirement. Failure to meet these mandatory requirements, if they constitute a substantive requirement, may, at the Board's sole discretion, result in the rejection of a proposal as non-responsive.

**Should:** Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the Board may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.

### 2. INQUIRIES: Any question related to the Request for Proposal shall be directed to the Contact whose name appears above.

An offeror shall not contact or ask questions of the board for whom the requirement is being procured. The Contact may require any and all questions be submitted in writing. Offeror's are encouraged to submit written questions via electronic mail at least nine days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such; otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.

### 3. FAMILIARIZATION OF SCOPE OF WORK: Before submitting a proposal, each offeror shall familiarize itself with the Scope of Work, laws, regulations and other factors affecting contract performance. The Offeror shall be responsible for fully understanding the requirements of the subsequent Contract and otherwise satisfy itself as to the expense and difficulties accompanying the fulfillment of contract requirements. The submission of a proposal will constitute a representation of compliance by the Offeror. There will be no subsequent financial adjustment, other than that provided by the subsequent Contract, for lack of such familiarization.

### 4. PREPARATION OF PROPOSAL:

A. All proposals shall be on the forms provided in this Request for Proposal package. It is permissible to copy these forms as required. Facsimiles or electronic mail proposals shall not be considered.

B. At a minimum, your proposal should include the signed Offer and Acceptance form, signed copies of any solicitation amendments, completed Price Page and your response to all evaluation criteria.

C. The Offer and Acceptance page shall be signed by a person authorized to submit an offer. An authorized signature on the Offer and Acceptance page, Proposal Amendment(s), or cover letter accompanying the proposal documents shall constitute an irrevocable offer to sell the good and/or service specified herein. Offeror shall submit any additional requested documentation, signifying intent to be bound by the terms of the agreement.

D. The authorized person signing the proposal shall initial erasure, interlineations or other modifications on the proposal.

E. In case of error in the extension of prices in the proposal, unit price shall govern when applicable.

F. Periods of time, stated as a number of days, shall be in calendar days.

G. It is the responsibility of all offeror's to examine the entire Request for Proposal package and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a proposal confers no right of withdrawal after due date and time.

H. The City shall not reimburse the cost of developing, presenting, submitting or providing any response to this solicitation.

I. Offeror must list any subcontractors to be utilized in the performance of the services specified herein. For each subcontractor, details on respective qualifications must be included.

### 5. PROPOSAL/SUBMITTAL FORMAT: Original and 8 copies (9 total) of each proposal should be submitted on the forms and in the format specified in the RFP. Offeror's shall also submit one electronic copy of the proposal on cd, disc or zip disc in MS Office 2010 or .pdf format. Any confidential information shall be submitted on a separate cd, disc or zip disc. The original copy of the proposal should be clearly labeled "Original" and shall be single-sided, three hole punched and in a binder. The material should be in sequence and related to the RFP. **The sections of the submittal should be tabbed, clearly identifiable and should include a minimum of the following sections: the completed Offer and Acceptance Form, all signed Amendments, a copy of this RFP document and the Offeror's response to the Evaluation Criteria**

**including the completed Price Page.** Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal.

- 6. EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any Request for Proposal is an offer to contract with the Board based upon the contract provisions contained in the Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offeror's who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Chair or his designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Chair or his designee, the contract provisions contained in the Request for Proposal shall prevail.
- 7. PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the Board and shall become a matter of public record available for review subsequent to the award notification.
- 8. CONFIDENTIAL INFORMATION:** The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contact of this fact should accompany the submission and the information shall be so identified wherever it appears. The Board shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.
- 9. CERTIFICATION:** By signature on the Offer and Acceptance page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Offeror certifies:
  - A. The submission of the offer did not involve collusion or other anti-competitive practices.
  - B. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal or State law.
  - C. The Offeror has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.
  - D. The Offeror hereby certifies that the individual signing the submittal is an authorized agent for the Offeror and has the authority to bind the Offeror to the Contract.
- 10. WHERE TO SUBMIT PROPOSALS:** In order to be considered, the Offeror must complete and submit its proposal to the City of Tucson Department of Human Resources at the location indicated, prior to or at the exact date and time indicated on the Notice of Request for Proposal page. The Offeror's proposal shall be submitted in a sealed envelope. The words "SEALED PROPOSAL" with the REQUEST FOR PROPOSAL TITLE, REQUEST FOR PROPOSAL NUMBER, PROPOSAL DUE DATE AND TIME and OFFEROR'S NAME AND ADDRESS shall be written on the envelope.
- 11. LATE PROPOSALS:** Late proposals will be rejected.
- 12. OFFER AND ACCEPTANCE PERIOD:** In order to allow for an adequate evaluation, the Board requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the proposal due date and time.
- 13. WITHDRAWAL OF PROPOSAL:** At any time prior to the specified solicitation due date and time, an offeror may formally withdraw the proposal by a written letter or electronic mail from the Offeror or a designated representative. Telephonic or oral withdrawals shall not be considered.
- 14. DISCUSSIONS:** The Board reserves the right to conduct discussions with Offeror's for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.
- 15. CONTRACT NEGOTIATIONS:** Exclusive or concurrent negotiations may be conducted with responsible offeror(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Offeror's shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing Offeror's. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any property rights to the successful offeror. In the event the Board deems that negotiations are not progressing, the Board may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified firm(s).
- 16. CITY OF TUCSON BUSINESS LICENSE:** It is the responsibility of the Contractor to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the Board may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License

can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 791-4566 or email at [tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).

- 17. UPON NOTICE OF INTENT TO AWARD:** The apparent successful offeror shall sign and file with the Board, within five (5) days after Notice of Intent to Award, all documents necessary to the successful execution of the Contract.
- 18. AWARD OF CONTRACT:** Notwithstanding any other provision of the Request for Proposal, the Board reserves the right to:
- (1) waive any immaterial defect or informality; or
  - (2) reject any or all proposals, or portions thereof; or
  - (3) reissue the Request for Proposal.

A response to this Request for Proposal is an offer to contract with the Board based upon the terms, conditions and Scope of Work contained in the Request for Proposal. Proposals do not become contracts unless and until they are executed by the Chairman of the Board. A contract has its inception in the award, eliminating a formal signing of a separate contract. All of the terms and conditions of the contract are contained in the Request for Proposal, unless any of the terms and conditions are modified by a Request for Proposal amendment, a Contract Amendment, or by mutually agreed terms and conditions in the Contract documents.

## PROPOSAL EVALUATION REQUIREMENTS

### I. PROPOSAL EVALUATION CRITERIA – (listed in relative order of importance)

- A. Method of Approach
- B. Qualifications & Experience
- C. Price Proposal

### II. REQUIREMENTS SPECIFIC TO EVALUATION CRITERIA: The narrative portion and the materials presented in response to this Request for Proposal should be submitted in the same order as requested and must contain, at a minimum, the following:

#### A. Method of Approach

1. Describe your procedures for monitoring:
  - a. Client satisfaction
  - b. Participant satisfaction
  - c. Operational controls
2. If the plan sponsor is not satisfied with any of their service team member, what is the process to replace them?
3. Describe any training, events, or publications you provide to your plan sponsor clients or their advisors. Include a description of the programs, the method used to distribute information or train client staff, and the frequency the programs are delivered.
4. What checks and balances do you have in place to assure plan administration integrity and accuracy including participant account data?
5. Do you qualify hardship withdrawals? If so, please describe your methodology and documentation requirements.
6. Describe in detail, including timing, how your system processes withdrawals (i.e., in-service and hardship withdrawals).
7. Describe in detail, including scope of services, timing and workflows, how you handle and process:
  - a. lump-sum distributions
  - b. systematic payments/installments
  - c. annuities
  - d. rollovers to another plan or an IRA
  - e. required minimum distributions
  - f. integration/interface with existing City systems
8. Describe in detail how you approve Qualified Domestic Relations Orders (QDROs).
9. Describe your beneficiary services including gathering and storing beneficiary information, prompting participants to update beneficiaries, accessing beneficiary information in the event of the participant's death.
10. Do you provide an administration manual?
11. What other administrative services do you provide? Please describe.
12. Describe the type of legal support you provide and any fees that apply.
13. How do you keep plan sponsors informed and updated on any regulatory and legislative changes?
14. How will you ensure that the plan remains in compliance?
15. How do you ensure that your recordkeeping system is in compliance with all regulations?
16. Describe any pending litigation, or litigation within the last 5 years, relating to the services you are proposing.
17. Please describe your insurance coverage for the following policies:

Policy	Carrier Name and Coverage Amounts	Description of claims the last 5 years
Errors & Omissions		
Cybersecurity		
Employee Dishonesty		

18. Describe in detail the functionality and content available on your plan sponsor website.
19. Describe the custom and/or ad hoc reports available.
20. Please describe the data security and user authentication procedures for your plan sponsor website.

21. What is the standard timeframe for providing each report after the reporting period ends?
22. Describe the educational content available through your participant website.
23. Describe the account services, transaction capabilities, and educational content that are available through mobile devices.
24. If mobile devices are available, please indicate the operating systems supported (e.g. Apple, android, etc.).
25. Do you provide any text alerts via mobile devices? If so, please describe.
26. Describe how participants are authenticated on the website or mobile device and how that authentication is integrated with the VRS or call center.
27. How often is the data on the website, the mobile site, or any mobile app updated? How do these channels interface with the recordkeeping system?
28. Please provide a sample participant statement.
29. Describe the process to proactively develop and execute participant education goals.
30. Provide a case study of a similar size client where you effectively enhanced the education of the population base.
31. Does your organization provide any services (i.e., personal questionnaires, tools) that would help individual participants with financial planning? Describe any electronic education tools you provide and indicate whether the tool is available via your participant website or any mobile devices.
32. Describe your capabilities in providing investment advice to participants. What fiduciary responsibility do you assume if advice is provided?
33. If advice is offered, is it in-house or via a third party? Describe your process, media, and scope of advice
34. Do you provide communication and education material in a foreign language? If so, what language(s) and what material in which channels?
35. Describe the process you use to help plan sponsors measure the effectiveness of employee education efforts.
36. Can you track and report the employees that attend each New Employee Orientation? Can you track and report the employees that enroll at each New Employee Orientation?
37. Describe the process to create, implement, and evaluate targeted participant communications.
38. How will you develop creative ideas to enroll new participants throughout the year?
39. Articulate your approach to educating participants on the deaccumulation phase of retirement as well as retirement income strategies.
40. How will your educational representatives integrate information from participant's other accounts, Social Security, and spousal retirement accounts when providing retirement planning guidance?
41. Describe the services/resources available to retirees. Is there a new retiree orientation program?
42. How do you retain retirees in the plan?
43. Describe the hardware platform and software system you will use to recordkeep and administer our defined contribution plans.
44. Was the software developed internally, leased, or bought from another provider? Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, client needs, etc.?
45. How often is the system upgraded?
46. Please describe your system enhancement and release process and timeline including the frequency of the releases, how projects are prioritized, how enhancements are designed, and how quality control is ensured.
47. What system enhancements do you have planned over the next three years for:
  - a. Data management and retrieval
  - b. Core recordkeeping system
  - c. Service technology
  - d. Website
  - e. Mobile site/apps
  - f. Call center and VRS
  - g. Integration with external parties
48. Describe your data security process, including how access to participant data is controlled and monitored.
49. Describe your data backup process. Limit your response to 300 words.
50. Describe your disaster recovery process. Are files archived and stored at an off-site facility? Limit your response to 500 words.
51. How many reportable security breaches has your organization experience in the last three years? How many under the current system?
52. Do you conduct periodic risk assessments to identify cybersecurity threats, vulnerabilities and potential business consequences?
53. Describe how indicative data, including any personal identifiable information, are protected against fraud and theft. Please limit your response to 300 words.

54. Does your participant and plan sponsor website utilize multi-factor authentication?
55. If a participant experiences a loss, what will you do to make them whole?
56. Describe your process to ensure accurate conversion of all historical data.
57. Please describe all communications typically provided to participants during the conversion process.
58. Please describe how the participant web and call center are introduced into the conversion process including any authentication communications for participants.
59. How do you monitor the effectiveness and quality of your conversion process and team?
60. Please provide a dollar amount guarantee for a successful, on-time, transition from the incumbent firm to your recordkeeping system.
61. Please provide a breakdown of the number of 457(b) clients that you transitioned by plan type:

	6/30/2019	2018	2017	2016
457(b)				
401(a)				

62. Does your organization offer a self-directed brokerage window as a potential investment option? Please fully describe the service and fees associated with the administration of the brokerage accounts.
63. Describe your capabilities for fee equalization and fund revenue leveling
64. How often is revenue sharing credited to participants (monthly, quarterly, etc.)
65. Please provide your own service level agreements with corresponding dollar amounts at risk. Will you put dollars at risk specifically for new enrollments and participation rate each year?
66. Provide the following information regarding your proposed Stable Value product as of June 30, 2019 (no General Account products).

Stable Value Name:	
Stable Value Description:	

Financial Strength (Add rows as necessary)				
Wrap Provider	% of Total Portfolio Wrapped	AM Best Ratings	Moody's Ratings	S&P Ratings

Portfolio Quality	% of Portfolio
AAA	
AA	
A	
BBB	
BB	
Below BB	
Not Rated	

Average Portfolio Quality	
Effective Duration	
Current Crediting Rate	
Market-to-Book as of 6/30/2019	

Year-End Date	Market-to-Book Value	Plan Level Termination Provisions:	
2018		Participant Level Termination Provisions:	
2017			
2016			
2015			
2014			
2013			
2012			
2011			
2010			
2009			
2008			
2007			

67. Include a fund fact sheet as a separate attachment for your proposed Stable Value product.

#### B. Qualifications & Experience

1. Provide a brief overview of your company and history of your organization, including an organizational chart of your retirement plan services organization (as a separate attachment). Please describe any parent/subsidiary/affiliate relationships that would be involved in the servicing of this relationship.
2. Indicate how many years your company has been active in the defined contribution business and 457(b) Deferred Compensation Plans.
3. Indicate the total value of assets in all 401(a) & 457(b) Deferred Compensation Plans for which you provide recordkeeping services as of 6/30/2019.
4. What is the total number of participants in all 401(a) & 457(b) Deferred Compensation Plans for which you provide recordkeeping services as of 6/30/2019?
5. How many 457(b) Deferred Compensation Plans do you currently administer in the following categories as of 6/30/2019:

Number of Employees	Plans	Percentage of Total
Less than 100		
100-499		
500-999		
1,000-4,999		
5,000 -10,000		
More than 10,000		
<b>Total</b>		

Assets	Plans	Percentage of Total
Less than \$5 million		
\$5 - \$25 million		
\$25 - \$50 million		
\$50 - \$250 million		
\$250 million - \$1 billion		
More than \$1 billion		
<b>Total</b>		

6. How many 401(a) Plans do you currently administer in the following categories as of 6/30/2019:

Number of Employees	Plans	Percentage of Total
Less than 100		
100-499		
500-999		
1,000-4,999		
5,000 -10,000		
More than 10,000		
<b>Total</b>		

Assets	Plans	Percentage of Total
Less than \$5 million		
\$5 - \$25 million		
\$25 - \$50 million		
\$50 - \$250 million		
\$250 million - \$1 billion		
More than \$1 billion		
<b>Total</b>		

7. Provide the number of 457(b) plans gained and lost for the following time periods:

	6/30/2019	2018	2017	2016
Number of Plans Clients Gained				
Dollar Value of Plans Assets Gained				
Number of Plans Clients Lost				
Dollar Value of Plans Assets Lost				

8. Provide the number of 401(a) plans gained and lost for the following time periods:

	6/30/2019	2018	2017	2016
Number of Plans Clients Gained				
Dollar Value of Plans Assets Gained				
Number of Plans Clients Lost				
Dollar Value of Plans Assets Lost				

9. What is your average client tenure for 457(b) plans?

10. Has your organization ever filed for bankruptcy or otherwise become insolvent? If so, please explain.

Please fill in the below table for the Service Team assigned to this plan			
	<b>Relationship Manager</b>	<b>Day-to-day Administrative Contact</b>	<b>Communications &amp; Education Manager</b>
Name & Title			
Description of role and responsibilities			
Location			
Education/Credentials			
Tenure with the company			
Years of retirement plan experience			
Years of Governmental retirement plan experience			
Number of clients			
Number of Governmental clients			
Compensation Structure			

	<b>Transition Manager (if not applicable please respond with "N/A")</b>
Name & Title	
Description of role and responsibilities	
Location	
Education/Credentials	
Tenure with the company	
Years of retirement plan experience	
Number of transitions completed between 6/30/2016 to 6/30/2019	
Number of Governmental transitions completed between 6/30/2016 to 6/30/2019	
Compensation Structure	

### C. Price Proposal

- Please provide your price proposal as requested on the Price Page attached herein.

### III. GENERAL

#### A. Shortlist:

The Board reserves the right to shortlist the Offeror's on any of the stated criteria. However, the Board may determine that shortlisting is not necessary.

#### B. Interviews:

The Board reserves the right to conduct interviews with some or all of the Offeror's at any point during the evaluation process. However, the Board may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The Board shall not reimburse the offeror for the costs associated with the interview process.

**C. Additional Investigations:**

The Board reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any offeror submitting a proposal.

**D. Prior Experience:**

Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

**E. Multiple Awards:**

To provide adequate contract coverage, at the Board's sole discretion, multiple awards may be made.

## SPECIAL TERMS AND CONDITIONS

### 1. INSURANCE: The Contractor agrees to:

- A.** Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the Board at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days' notice for cancellation due to non-payment in premium.
- B.** The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the Board as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.
- C.** Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
<b>I. Commercial General Liability:</b>	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate (including Per Project)	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
<b>II. Commercial Automobile Liability</b>	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
<b>III. Workers' Compensation (applicable to the State of Arizona)*<sup>1</sup></b>	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
<b>IV. Professional Liability (Errors &amp; Omissions) - In addition to I, II, III</b>	
Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

\*<sup>1</sup> Sole Proprietor/Independent Contractor designation is given to those who desire to waive their rights for workers' compensation coverage and benefits as outlined in ARS§ 23-901 and specifically ARS § 23-961 (O). If applicable, please request the Sole Proprietor/Independent Contractor form from the Contract Officer listed in the solicitation.

- D. ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:
1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Contractor (including Worker's Compensation).
  2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
  3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- E. NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Contractor to the Board. Such notice shall be sent directly to the Chairman of the Board.
- F. ACCEPTABILITY OF INSURERS:** Contractors insurance shall have an "A.M. Best" rating of not less than A:VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

- G. VERIFICATION OF COVERAGE:** Contractor shall furnish the Board with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the Board before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the Board's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Board.

The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

- H. SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the Board separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

- I. EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- Insurance.

- 2. TERM AND RENEWAL:** The term of the Contract shall commence upon award and shall remain in effect for a period of three (3) years, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that the Board shall have the right, at its sole option, to renew the Contract for two (2) additional one-year periods or portions thereof. In the event that the Board exercises such rights, all terms, conditions and provisions of the original Contract shall remain the same and apply during the renewal period with the possible exception of price and minor scope additions and/or deletions.

- 4. PRICE ADJUSTMENT:** The Board will review fully documented requests for price adjustment after any Contract has been in effect for three (3) years. Any price adjustment will only be made at the time of Contract renewal and/or extension and will be a factor in the extension review process. The Board will determine whether the requested price adjustment or an alternate option, is in the best interest of the Board. Any price adjustment will be effective upon the effective date of the Contract extension.

- 5. CONFLICTS OF INTEREST:** An Offeror responding to this RFP acknowledges that, to the best of its knowledge, information and belief, no person has been employed or retained to solicit or secure a Contract that may be awarded pursuant to this RFP upon a promise of a commission, percentage, brokerage, or contingent fee, and that no member of the City of Tucson Mayor and Council, member of the Deferred Compensation Board or any employee of the City has any financial interest in Offeror's firm. In addition, all communications regarding this solicitation shall be directed to the Contact Representative listed on the cover page. Interested Offeror's shall refrain from engaging in any communication (written or verbal) regarding this solicitation or the matters involving this solicitation with any other City staff, Mayor & Council or staff of Mayor & Council, or members of the Deferred Compensation Management Board.

The Board reserves the right to disqualify an Offeror from further participation in the RFP process in the event the Board determines that Offeror has an actual or apparent conflict of interest with the purposes of this RFP, or has violated this Conflict of Interest.

Upon a finding by the City that gratuities in the form of entertainment, gifts or inducements were offered or given by Offeror, or any agent or representative of Offeror, to any officer or employee of the City, including the Mayor and Council and their staff, for the purpose of securing a Contract that may be awarded pursuant to this RFP, or securing favorable treatment with respect to the awarding, amending, or making of any determination with respect to the performance of a Contract that may be awarded under this RFP, the City, may, by one (1) calendar day provide written notice to Offeror, terminate the right of Offeror to proceed under this RFP; provided that the existence of the facts upon which the City made such finding shall be an issue and may be litigated in an Arizona court of competent jurisdiction.

- 6. KEY PERSONNEL:** It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract. The Contractor must agree to assign specific individuals to the key positions.

The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to and subsequent concurrence by the City.

If key personnel are not available for work under this Contract for a continuous period exceeding thirty calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the City, and shall, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications.

## STANDARD TERMS AND CONDITIONS

1. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract without prior written consent of the Board.
2. **AFFIRMATIVE ACTION:** Contractor shall abide by the provisions of the Tucson Procurement Code Chapter 28, Article XII.
3. **AMERICANS WITH DISABILITIES ACT:** The Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101, et seq.) and applicable Federal regulations under the Act.
4. **APPLICABLE LAW:** This Contract shall be governed, and the City and Contractor shall have all remedies afforded to each, by the Tucson Procurement Code and the law of the State of Arizona. State law claims shall be brought only in Pima County Superior Court.
5. **ASSIGNMENT-DELEGATION:** No right or interest in this Contract shall be assigned by the Contractor without prior written permission of the Board, and no delegation of any duty of the Contractor shall be made without prior written permission of the Board. The Board shall not unreasonably withhold approval and shall notify the Contractor of the Board's position by written notice.
6. **CHILD/SWEAT-FREE LABOR POLICY:** The Contractor shall comply with all applicable provisions of the United States Federal and State Child Labor and Worker's Right laws and agrees if called upon to affirm in writing, that they, and any subcontractor involved in the provision of goods to the City, are in compliance.
7. **CLEAN UP:** The Contractor shall at all times keep the contract area, including storage areas used by the Contractor, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of the City. Upon completion of the repair, the Contractor shall leave the work and premises in clean, neat and workmanlike condition.
8. **COMMENCEMENT OF WORK:** The Contractor is cautioned not to commence any billable work or provide any material or service under this Contract until Contractor receives purchase order or is otherwise directed to do so, in writing, by the Board.
9. **CONFIDENTIALITY OF RECORDS:** The Contractor shall establish and maintain procedures and controls that are acceptable to the Board for the purpose of assuring that no information contained in its records or obtained from the Board or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the Board. Information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the Board.
10. **CONTRACT AMENDMENTS:** The Procurement Department has the sole authority to:
  - A. Amend the contract or enter into supplemental verbal or written agreements;
  - B. Grant time extensions or contract renewals;
  - C. Otherwise modify the scope or terms and provisions of the contract.

This Contract shall only be modified with the approval of the Department of Procurement. Except in the case of a documented emergency, approval must be granted prior to performance. Any contract modification not explicitly approved by the Procurement Department through a written contract amendment or change order is performed at the sole risk of the Contractor and may not be eligible for payment by the Board.

11. **CONTRACT:** The Contract shall be based upon the Request for Proposal issued by the Board and the Offer submitted by the Contractor in response to the Request for Proposal. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposal. The Board reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the Board, shall be deemed non-responsive and the offer rejected. The Contract shall contain the entire agreement between the Board and the Contractor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.

- 12. DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment or lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials, or default of any nature, may constitute breach of the Contract. Noncompliance may be deemed a cause for possible Contract termination.
- 13. DUPLEXED/RECYCLED PAPER:** In accordance with efficient resource procurement and utilization policies adopted by the City of Tucson, the Contractor shall ensure that, whenever practicable, all printed materials produced by the Contractor in the performance of this Contract are duplexed (two-sided copies), printed on recycled paper and labeled as such.
- 14. EQUAL PAY:** The Contractor shall comply with the applicable provisions of the Equal Pay Act of 1963 (Pub.L. 88-38, 29 U.S.C. section 206(d)); Title VII of the Civil Rights Act of 1964 (Pub.L. 88-352, 42 U.S.C. 2000e *et seq.*; and, the Lily Ledbetter Fair Pay Act of 2009 (Pub.L. 111-2).
- 15. EXCLUSIVE POSSESSION:** All services, information, computer program elements, reports and other deliverables created under this Contract are the sole property of the Board and shall not be used or released by the Contractor or any other person except with prior written permission by the Board.
- 16. FEDERAL IMMIGRATION LAWS AND REGULATIONS:** Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214(A) and that it requires the same compliance of all subcontractors under this Contract. Contractor acknowledges that pursuant to A.R.S. § 41-4401 and effective September 30, 2008, a breach of this warranty is a material breach of this Contract subject to penalties up to and including termination of this Contract. The Board retains the legal right to audit the records of the Contractor and inspect the papers of any employee who works for the Contractor to ensure compliance with this warranty and the Contractor shall assist in any such audit. The Contractor shall include the requirements of this paragraph in each contract with subcontractors under this Contract.

If the Contractor or subcontractor warrants that it has complied with the employment verification provisions prescribed by sections 274(a) and 274(b) of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A), the Contractor or subcontractor shall be deemed to be in compliance with this provision. The Board may request proof of such compliance at any time during the term of this Contract by the Contractor and any subcontractor.

- 17. FORCE MAJEURE:** Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition.

If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

- 18. GRATUITIES:** The Board may, by written notice to the Contractor, terminate this Contract if it is found that gratuities, in the form of entertainment, gifts, meals or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City amending, or the making of any determinations with respect to the performing of such Contract. In the event this Contract is terminated by the Board pursuant to this provision, the Board shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.

- 19. HUMAN RELATIONS:** Contractor shall abide by the provisions of the Tucson City Code Chapter 28, Article XII.
- 20. INDEMNIFICATION:** To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, including claims of patent or copyright infringement, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or

resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractor agrees to waive all rights of subrogation against the City of Tucson, its agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.

Contractor is responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Contractor is responsible for all applicable IRS reporting requirements related to ACA. If Contractor or any of Contractor's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an assessed penalty against the City, or Contractor fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, Contractor indemnifies City from and shall pay any assessed tax penalty.

- 21. INDEPENDENT CONTRACTOR:** It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venture, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.

The Contractor shall not be entitled to compensation in the form of salaries, holidays, paid vacation, sick days, or pension contributions by the City. The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City or Board payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses. Contractor is responsible for compliance with the Affordable Care Act for Contractor and any of Contractor's employees.

- 22. INSPECTION AND ACCEPTANCE:** All material or service is subject to final inspection and acceptance by the Board. Material or service failing to conform to the specifications of this Contract shall be held at the Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. Noncompliance may be deemed a cause for possible Contract termination.
- 23. INTERPRETATION-PAROL EVIDENCE:** This Contract is intended by the parties to be a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or consent in the course of performance under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or consenting party has knowledge of the nature of the performance and the opportunity to object.
- 24. ISRAEL BOYCOTT DIVESTMENTS:** Acceptance of the contract warrants that the vendor is in compliance with A.R.S. § 35-393 and does not participate in a boycott of Israel as that term is defined within A.R.S. § 35-393.
- 25. LICENSES:** Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.
- 26. LIENS:** All materials, services, and other deliverables supplied to the Board under this Contract shall be free of all liens other than the security interest. Security interest shall extinguish upon full payment made by the Board. Upon the Board's request, the Contractor shall provide a formal release of all liens.
- 27. NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials must fully comply with all provisions of this Contract. If a tender is made which does not fully comply, this shall conform to the termination clause set forth within this document.
- 28. NON-EXCLUSIVE CONTRACT:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the City of Tucson. The Board reserves the right to obtain like goods or services from another source when necessary.
- 29. OVERCHARGES BY ANTITRUST VIOLATIONS:** The Board maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

- 30. PAYMENT:** It is anticipated that payment for services rendered will be made through the most appropriate method available based on the fee structure chosen by the Board. Vendor will invoice the City and agree to receive approval from the Plan Administrator prior to assessing fees to participate accounts.
- 31. PROTECTION OF GOVERNMENT PROPERTY:** The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on City property. If the Contractor fails to do so and damages such property, the Contractor shall replace or repair the damage at no expense to the City, as determined and approved by the City's Director of Procurement. If the Contractor fails or refuses to make such repair or replacement, the City will determine a cost and the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.
- 32. PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.
- 33. RECORDS:** Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. The Board may, at reasonable times and places, audit the books and records of the Contractor and/or any subcontractors. Said audit shall be limited to this Contract.
- 34. RIGHT TO ASSURANCE:** Whenever one party to this Contract has reason to question, in good faith, the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as the other party's intent not to perform and as a cause for possible Contract termination.
- 35. RIGHT TO INSPECT:** The Board may, at reasonable times, and at the Board's expense, inspect the place of business of a Contractor or subcontractor which is related to the performance of any Contract as awarded or to be awarded.
- 36. RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's proposal shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim, default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract, to exercise or delay the exercise of any right or remedy provided in the Contract or by law, or to accept materials or services required by this Contract or by law shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.
- 37. SEVERABILITY:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which may remain in effect without the valid provision or application.
- 38. SHIPMENT UNDER RESERVATION PROHIBITED:** No tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the termination clause set forth within this document.
- 39. SUBCONTRACTS:** No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the Board. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
- 40. SUBSEQUENT EMPLOYMENT:** The Board may terminate this Contract without penalty or further obligation pursuant to A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract, on behalf of the Board, is or becomes, at any time while the Contract or any extension of the Contract is in effect, an employee of, or a contractor to, any other party to this Contract with respect to the subject matter of the Contract. Termination shall be effective when written notice from the Board is received by the parties to this Contract, unless the notice specifies a later time.
- 41. TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by the Board, with or without cause, upon giving thirty (30) days written notice. The Board, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the Board shall be liable only for

payment under the payment provisions of this Contract for services rendered and accepted material received by the Board before the effective date of termination.

The Board reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract. The Board will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the Board, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the Board, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the Board, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the Board, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the Board a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the Board created by this Contract is conditioned upon the availability of funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the Board and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the Board at the end of the period for which funds are available. The Board will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the Board in the event this provision is exercised, and the Board shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

**42. TITLE AND RISK OF LOSS:** The title and risk of loss of material or service shall not pass to the Board until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.

**43. WARRANTIES:** Contractor warrants that all material or service delivered under this Contract shall conform to the specifications of this Contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the Board shall not alter or affect the obligations of the Contractor or the rights of the Board under the foregoing warranties. Additional warranty requirements may be set forth in this document.

## PRICE PAGE

Fee must be inclusive of all costs, including but not limited to: direct and indirect cost for labor, overhead, materials, printing, travel and mileage, meals, postage, etc., etc.

Please provide your recordkeeping fees with the following assumptions:

- Without the use of any proprietary investment options, including mutual funds, stable value funds, general account products, etc.
- 3 Year Contract with two 1 year renewal options

		401(a)	457(b)
Asset-Based	Fee		
	Dollar Amount Equivalent		
Per-Participant	Fee		
	Dollar Amount Equivalent		
State all other assumptions in your pricing			
Would you be willing to cap your compensation? If so, at what number			

Please provide your recordkeeping fees with the following assumptions:

- Without the use of any proprietary investment option, except for a proprietary Stable Value Fund only (no General Account Products).
- 3 Year Contract with two 1 year renewal options

		401(a)	457(b)
Asset-Based	Fee		
	Dollar Amount Equivalent		
Per-Participant	Fee		
	Dollar Amount Equivalent		
State all other assumptions in your pricing			
Would you be willing to cap your compensation? If so, at what number			

Please describe all other fees below. Only the fees clearly disclosed in the chart below (as well as the asset based and per capita recordkeeping fees above) will be allowed in the final recordkeeping contract. Do not refer to any outside

attachments for any fee. Additionally, do not refer to any other portion outside of this chart of the RFP to describe any fee.

<b>Other Fees and Expenses</b>	
Adding a New Fund to Your Investment Platform	
Each Additional On-Site Participant Education Day	
Custom Client Branded Communication and Education Materials	
Holistic Financial Planning Services	
Unitized Custom Model Portfolios	
Non-unitized Custom Model Portfolios	
Loan Origination	
Annual Loan Maintenance Fee	
Other Loan Fees	
Hardship Approval and Processing	
Qualifying and Processing DROs	
Distribution Check	
ACH	
Wire Transfer	
Overnight Delivery	
Managed Account Fees	
Self-Directed Brokerage Fees	
Creation of Required Annual Notices	
Mailing of Required Notices	
Creation of Fund Change Notices	
Mailing of Fund Change Notices	
Mailing of Participant Statements	
One-Time Costs Related to the Transition or Plan	
Recordkeeping Contract Termination Fees	
Special Project Fees	
Other Fees (list)	

## OFFER AND ACCEPTANCE

### OFFER

**TO THE DEFERRED COMPENSATION PLAN MANAGEMENT BOARD:**

The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

\_\_\_\_\_  
Signature of Person Authorized to Sign

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

### ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract.

**Deferred Compensation Board,**

Awarded:

This \_\_\_\_\_ day of \_\_\_\_\_ 2019

\_\_\_\_\_  
As Chairman of the Deferred Compensation Board  
And not personally