



THE TEXAS A&M UNIVERSITY SYSTEM

Office of HUB & Procurement Programs

REQUEST FOR PROPOSAL

Supplemental Optional Retirement Program 415(m) Plan

RFP NUMBER RFP01-RISK-17-030

**PROPOSAL MUST BE RECEIVED BEFORE:
2:00 p.m. Central Time (CDT) on September 26, 2017**

**EMAIL RFQ RESPONSES TO:
SOPROCUREMENT@TAMUS.EDU
SUBJECT LINE: RFP01 RISK-17-030
Attn: Jeff Zimmermann**

NOTE: PROPOSAL must be time stamped at The Texas A&M University System Office of HUB & Procurement Programs before the hour and date specified for receipt of proposal.

Pursuant to the Provisions of Texas Government Code Title 10, Chapter 2156.121-2156.127, sealed proposals will be received until the date and time established for receipt. After receipt, only the names of Respondents will be made public. Prices and other proposal details will only be divulged after the contract, if one is made, is executed.

REFER INQUIRIES TO:

Jeff Zimmermann, Director
The Texas A&M University System
Office of HUB & Procurement Programs
Email: jzimmermann@tamus.edu

All proposals shall become the property of the State of Texas upon receipt. Proposals may be subject to public review after contracts have been executed. Refer to Section 2.3 for more information regarding confidential and proprietary information.

TABLE OF CONTENTS

SECTION 1. INTRODUCTION	4
1.1 Scope of Proposal Overview.....	4
1.2 Background.....	4
1.3 Definitions	4
1.4 Benefit Philosophy.....	5
1.5 Calendar of Events.....	5
1.6 Priorities/Expectations	6
1.7 Performance Period.....	6
SECTION 2. INSTRUCTIONS TO RESPONDENTS	7
2.1 Examination of Request for Proposal	7
2.2 Submittal Instructions	7
2.3 Proposal Components	8
2.4 Submittal Guidelines.....	12
2.5 Inquiries and Interpretations	12
2.6 General Instructions	12
2.7 Schedule of Implementation	13
2.8 Qualifications of RESPONDENT.....	14
2.9 Contract Documents	14
2.10 Eligibility	14
2.11 Communications and Enrollment	15
SECTION 3. GENERAL ADMINISTRATION	16
3.1 Required Services	16
3.2 Current Funding.....	16
SECTION 4. SORP PLAN	17
4.1 Plan Back Ground.....	17
4.2 Current Enrollment and Plan Assets.....	17
4.3 Remittance Process	17
SECTION 5. ADMINISTRATAION	18
5.1 Distributions	18
5.2 Qualified Domestic Relations Orders (QDROs).....	18
5.3 Contributions	18
5.4 Communication Requirements	18
5.5 Reporting	19
SECTION 6. INVESTMENT PRODUCTS	20
6.1 Introduction.....	20
6.2 Menu of Options	20

6.3	Fees	20
6.4	Fixed Annuities	21
SECTION 7. EVALUATION OF PROPOSALS		22
7.1	Evaluation Information	22
SECTION 8. GENERAL TERMS AND CONDITIONS		24
EXHIBIT A – Execution of Offer		29
EXHIBIT B – Non-Collusion Affidavit		31
EXHIBIT C – Company Profile		32
EXHIBIT D – Questionnaire		33
EXHIBIT E – Supplemental Files to RFP Instructions.....		38

SECTION 1 – INTRODUCTION

1.1 Scope of Proposal Overview

The Texas A&M University System (A&M System) is interested in receiving proposals from qualified proposers (RESPONDENTS) licensed to operate in the state of Texas to provide investment products and services for a 415m excess benefit plan for the upcoming plan year, beginning September 1, 2017. The A&M System desires proposals that represent the best combination of quality and cost.

The A&M System currently uses Metlife Resources to provide recordkeeping services, investment options, and administrative duties for the SORP plan. Metlife Resources has provided these services since 2005. The A&M System intends to continue to provide this program to required participants.

RESPONDENTS may review the current plan document in *Exhibit E*.

This RFP provides detailed information about the A&M System and its benefit needs and provides the required format for the vendor's response. Proposals containing deviations are strongly discouraged. If included, deviations must be identified and described in detail in order to be considered. While a proposal with minor deviations from the RFP will not be disqualified, preference will be given to prospective vendors whose proposals contain the fewest and least significant deviations from the requirements presented herein.

1.2 Background

The Texas A&M University System is one of the largest systems of higher education in the nation, with a statewide network of eleven (11) universities, seven (7) state agencies, and a comprehensive health science center.

A&M System members educate more than 148,000 students and make more than 22 million additional educational contacts through service and outreach programs each year. System-wide, research and development expenditures exceeded \$972 million in FY2016 and helped drive the state's economy.

Additional information regarding each of the A&M System members can be found online at <https://www.tamus.edu/about/>.

1.3 Definitions

The following list provides a definition of acronyms and abbreviated phrases used throughout this document for your reference.

ORP – Optional Retirement Program – a qualified defined contribution retirement plan authorized under Section 403(b) of the Federal Internal Revenue Code and Chapter 830 of the *Texas Government Code* offered to certain employees, generally faculty and high-level administrators, in lieu of active membership in the Teacher Retirement System (TRS) of Texas.

QDRO – Qualified Domestic Relations Order – is a judicial order that grants a person a right to a portion of the retirement benefits his or her former spouse has earned through participation in an employer-sponsored retirement plan.

SORP – Supplemental Optional Retirement Program – a qualified governmental excess benefit arrangement under Section 415(m) of the Internal Revenue Code of 1986, as amended, and its regulations thereunder, and Section 830.004(c) of the *Texas Government Code*. The Plan is maintained solely to provide Participants with benefits that exceed the benefit limitations of Code Section 415(c).

1.4 Benefit Philosophy

The A&M System's benefit programs are viewed as an important part of the total compensation package. It is expected that the benefits offered will attract new employees, promote the retention of career employees and reward retired employees for their service. Therefore, superior quality and responsiveness to participants' needs are essential.

The A&M System is committed to providing eligible employees, retired employees and their dependents access to group benefit plans of the highest quality at the lowest possible cost to the A&M System and to its employees. The manner in which the programs are funded demands strict containment of costs in order to maximize benefits for the beneficiaries.

The SORP plan for which an RFP is being solicited is a 415m excess benefit plan provided to employees whose contributions would otherwise be limited by IRC Section 415. The authority to plan, implement and control the A&M System's benefit programs has been assigned to the Director of Risk Management and Benefits Administration (the Director). The Employee Benefits Manager, reporting to the Director, has the responsibility for overseeing the benefit programs. The Retirement Coordinator, reporting to the Employee Benefits Manager, has the responsibility for the operation and administration of the retirement programs.

The System Office of Risk Management and Benefits Administration (SORMBA) staff monitors plan contributions, negotiates carrier contracts, and maintains official records, and ensures quality, efficiency, and statutory compliance with the SORP plan. SORMBA also maintains, reports, and administers the SORP plan. It is the responsibility of the Retirement Coordinator to inform employees of their SORP eligibility and advise them about their distribution options and required enrollment.

The plan for which proposals are being sought is not an ERISA plan.

1.5 Calendar of Events

Issue RFP	September 8, 2017
Deadline to Submit Questions	September 14, 2017
Release of Addendum (if applicable)	September 19, 2017
Deadline for Receiving Proposals.....	September 26, 2017 by 2:00 PM CDT
Anticipated Award Date	October 3, 2017

A&M System will make every effort to adhere to the above schedule. The schedule, however, is subject to change. This may be in the event that further clarification of responses or terms of contract are in the best interest of A&M System and/or in the event A&M System requires more time to assure that the selection of the RESPONDENT is in accordance with its policies, rules and regulations, as well as actual timing needs.

1.6 **Priorities/Expectations**

RESPONDENTS should note the following priorities/expectations with regard to the possibility of the A&M System establishing a contractual relationship with any RESPONDENT:

- a. *Ensuring a Quality Level of Service.* This priority encompasses the quality of the level of service that can be provided to all A&M System customers in a timely, cost effective manner. The A&M System is seeking a RESPONDENT that will ensure the provision of such quality in its delivery of service through proven training techniques and established metrics.
- b. *Level of Experience and Expertise.* RESPONDENT must demonstrate its capabilities in providing the utmost level of experience and expertise to ensure a successful solution as determined by the A&M System. RESPONDENT shall provide information describing the RESPONDENT'S managed services and project execution experience, including the experience of the resources, account managers, and other key personnel on similar engagements, including past experience within the A&M System.
- c. *Delivery Efficiency as it Relates to Total Costs.* RESPONDENT must demonstrate its ability to deliver the required solution in a cost-effective and timely manner while not sacrificing the quality required by a Tier I research System.
- d. *Financial Stability.* RESPONDENT must demonstrate its financial stability and capabilities in providing the required solution.

1.7 **Period of Performance**

Should the A&M System, in its sole discretion, enter into an agreement with the successful RESPONDENT as a result of this RFP, the agreement shall be effective as upon execution. The A&M System anticipates that the initial term of such Agreement will extend through August 31, 2020. Fees, expense schedules, charges, and management arrangements must be guaranteed for the three-year period through August 31, 2020. Assuming satisfactory performance and terms and fees are mutually agreed upon in writing prior to the expiration of the agreement, an affirmative renewal for up to three years may be allowed. In the event of successive affirmative renewal(s), the maximum period of performance pursuant to this RFP ends August 31, 2023. Any extensions shall be at the same terms and conditions, plus any approved changes to be determined by the A&M System and negotiated in writing with the successful RESPONDENT. The A&M System reserves the right to amend the terms of the Agreement as necessary to meet state or federal requirements.

SECTION 2 – INSTRUCTIONS TO RESPONDENTS

Proposals are to be in accordance with the outline and specifications contained herein, are to remain in effect a minimum of 180 days from the date of submission, and may be subject to further extensions as negotiated. A statement to this effect should be contained in the RESPONDENT's cover letter.

This RFP contains specific requests for information. RESPONDENTS are encouraged to examine all sections of this RFP carefully, in that the degree of interrelationship between sections is critical. In responding to this RFP, RESPONDENTS are encouraged to provide any additional information they believe relevant.

Clause headings appearing in this RFP have been inserted for convenience and ready reference. They do not purport to define, limit or extend the scope or intent of the respective clauses. Whenever the terms "must", "shall", "will", "is required", or "are required" are used in the RFP, the subject being referred to is to be a required feature of this RFP and critical to the resulting submittal.

In those cases where mandatory requirements are stated, material failure to meet those requirements could result in disqualification of the RESPONDENT's response. Any deviation or exception from RFP specifications must be clearly identified by the RESPONDENT in its submittal.

Expenses for developing and presenting proposals shall be the entire responsibility of the RESPONDENT and shall not be chargeable to A&M System. All supporting documentation submitted with this submittal will become the property of A&M System.

All technical questions concerning this RFP are to be directed, in writing, to Jeff Zimmermann at zimmermann@tamus.edu. RESPONDENT may not contact other individuals at A&M System to discuss any aspect of this RFP, unless expressly authorized by the A&M System Procurement & HUB Program office to do so. Questions regarding the RFP, including questions for more data or information beyond that included in this RFP, should be presented in writing. **Deadline for submission of questions is September 14, 2017 by 5:00 pm Central Time.** A&M System will publish all questions with responses according to the schedule in Section 1.5.

2.1 Examination of the Request for Proposal

Before submitting, each RESPONDENT will be held to have examined the A&M System requirements outlined in Section 3, and satisfied itself as to the existing conditions under which it will be obligated to perform in accordance with specifications of this RFP.

No claim for additional compensation will be allowed due to unfamiliarity with the specifications and/or existing conditions. It shall be understood that the RESPONDENT has full knowledge of all the existing and/or revised conditions and accepts them "as is."

2.2 Submittal Instructions

All submittals must be received by TAMUS, no later than **2:00 p.m. Central Time, September 26, 2017**, electronically via email to soprocurement@tamus.edu with the subject line of **"RFP01 RISK-17-030 Supplemental Optional Retirement Program"**. The receipt time indicated within the TAMUS email server shall be used for the receipt and acceptance of the response.

Late submittals will not be considered under any circumstances.

2.3 Proposal Components

A complete proposal will consist of the following elements. Failure to include these documents will be basis for response disqualification.

a. Contact Information

Provide a contact name for this RFP response, including title, address, telephone number, facsimile, and email address.

b. Execution of Offer

The Execution of Offer provided in Exhibit A must be **signed** by RESPONDENT's company official duly authorized and having the authority to legally bind and commit the proposing organization.

c. Non-Collusion Affidavit

The Non-Collusion Affidavit provided in Exhibit B must be **signed and notarized**.

d. Company Profile

Complete the Company Profile, provided in Exhibit C by providing your answer after each question.

e. Organizational Chart

Provide an organizational chart identifying the chain of authority through the company's CEO for this account. Include names, addresses, titles, email addresses and telephone numbers for each individual.

f. Staffing

Describe the staff involved in the management of this group account. Include names, titles, addresses, email addresses, and brief biographies of the following individuals or their organizational equivalents who will be assigned to the A&M System account(s):

- National/Governmental Accounts, Director
- Account Manager
- Account Representative
- Customer Service/Operations Manager
- Financial Representatives/Consultants

g. Installation Team Staffing

Describe the installation team and provide the names, titles addresses, email addresses, and brief biographies of any individuals who are not included in Section f. above.

h. References

- Provide the name, address, email address, and telephone number of the primary contact at two public entities or corporations and two major universities of similar size and with decentralized administration that are current clients of your company.
- Provide two references, including the name, address, email address, and telephone number for the individual who will have primary responsibility for the A&M System account.

The RESPONDENT's response to this requirement officially authorizes the A&M System to contact these organizations to discuss the services and other considerations which the RESPONDENT has provided to such organizations and authorizes the organizations to provide such information to the A&M System and RESPONDENT shall and hereby does

release and hold harmless the A&M System, the state of Texas, and the organization providing responses to the A&M System's questions of any and all liability whatsoever, in connection with providing and receiving all such information.

i. Certification

- If the vendor is an **insurance/annuity company**, certify that is qualified and admitted to do business in Texas in accordance with the rules and regulations of the Texas Department of Insurance, and
 - Certify that the organization is in good stead with the Texas Department of Insurance (TDI) and disclose any actions that are pending or in process with TDI.
 - Certify that the contract to be offered has been approved by the Texas Department of insurance.
- If a vendor is a **national bank**, it must certify that it is chartered by the Comptroller of the Currency.
- If a vendor is a **regulated investment company**, it must certify that:
 - It is registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940.
 - The contract(s) to be offered has been approved by the Texas State Securities Board, pursuant to the Securities Act (Vernon's Texas Civil Statutes, Article 581-1 et seq.) and any other applicable law(s).
 - All contracts shall be offered in compliance with Securities and Exchange Commission Releases 33-6352 and IC-11960.
- Certify that no commissions, broker or finders fees are included in the quoted fees/premiums or will be paid to any individual, agency or company, if your company is selected to provide coverage for the A&M System.

j. HUB Subcontracting Plan

It is the policy of the state of Texas and the A&M System to encourage the use of Historically Underutilized Businesses (HUBs) in our prime contracts, subcontractors, and purchasing transactions. The goal of the HUB program is to promote equal access and equal opportunity in A&M System contracting and purchasing.

Subcontracting opportunities are possible for the scope of this RFP and therefore a HUB Subcontracting Plan (HSP) is required. Failure to submit a comprehensive, acceptable HSP will be considered a material failure to comply with the requirements of the RFP and will result in rejection of the submittal. The HUB Subcontracting Plan shall be submitted with the RFP response by the date and time specified.

The HSP form can be found at:

http://assets.system.tamus.edu/files/budgets-acct/pdf/hub_reports/HSP_rev1016.pdf

Complete the HSP and submit it in Section j. of your RFP response. If there are pre-existing agreements in place with companies who will be hired as subcontractors, the respondent shall list those vendors as subcontractors on the HSP and provide an explanation as to why solicitations were not done, e.g. contractual requirements. If no pre-existing agreements with companies who will be hired as subcontractors exist, then the vendor will be expected to make a good faith effort according to the HSP instructions.

If the Respondent is completing as self-performing a statement which attests that the respondent shall perform the subcontracting opportunities identified by the agency, with its own employees and resources is required. The sections in the HSP form to be completed for self-performing are Sections 1, 2a (check No), 3 (with your statement included in the open text field), and 4.

For information regarding the HUB Subcontracting Plan requirements, please contact Jeff Zimmermann from the A&M System's HUB Program at (979) 458-6410 or jzimmermann@tamus.edu for assistance in determining available HUB subcontractors and proper completion of the HSP. Respondents have the opportunity to submit a draft of the HSP prior to submittal of their response to the RFP for review by Mr. Zimmermann.

k. Questionnaire

This section should include the completed Questionnaire found in *Exhibit D*. When you downloaded the RFP, you should have also downloaded the supplemental files listed in *Exhibit E*, which should be used to assist in answering the Questionnaire.

l. Investment Product Proposal

Section 6 provides information on the expected investment product proposal content to be considered for the SORP plan. *Exhibit E* contains the *E-6 Product/Investment Fee and Performance Disclosure* document to be completed for proposing the investment product.

m. Confidential and Proprietary Information

In order to protect and prevent inadvertent access to confidential information submitted in the response, the Respondent is to provide a schedule of all pages that the Respondent in good faith, and with legally sufficient due diligence, considers to contain any confidential and/or proprietary information.

Information in any tangible form which is submitted by Respondents will be treated as confidential until such time as a contract is executed. After that time, the A&M System is required to provide access to certain records in accordance with the provisions of Chapter 552, Tex. Government Code, now known as the Texas Public Information Act (TPIA), formerly known as the Open Records Act. By submitting a response, the Respondent acknowledges and agrees that the A&M System shall have no liability to the Respondent or to any other person or entity for disclosing information in accordance with the TPIA. The A&M System shall not have any obligation or duty to advocate the confidentiality of the Respondent's material to the Texas Attorney General or to any other person or entity. The Respondent further understands and agrees that upon the A&M System's receipt of a TPIA request for a copy of the Respondent contract, including the response and any exhibits to the contract and response, the only documents that the A&M System shall treat as the Respondent's confidential and proprietary information shall be the documents the Respondent identifies as required above. It is the Respondent's sole obligation to advocate in good faith the confidential or proprietary nature of any information it provides in its response, and the Respondent understands that the Texas Attorney General may nonetheless determine that all or part of the claimed confidential or proprietary information shall be publicly disclosed.

In addition, the Respondent specifically agrees that the A&M System may release the Respondent's entire response, including alleged confidential or proprietary information, upon request from individual members, agencies or committees of the Texas Legislature where needed for legislative purposes, as provided for in the TPIA or to any other person or entity as otherwise required by law.

- RESPONDENT acknowledges that the A&M System is obligated to strictly comply with the Public Information Act, Chapter 552, *Texas Government Code*, in responding to any request for public information pertaining to this RFP, as well as any other disclosure of information required by applicable Texas law.
- Upon a the A&M System written request, RESPONDENT will provide specified public information exchanged or created under this RFP that is not otherwise excepted from disclosure under chapter 552, Texas Government Code, to the A&M System in a non-proprietary format acceptable to the A&M System. As used in this provision, “public information” has the meaning assigned Section 552.002, *Texas Government Code*, but only includes information to which the A&M System has a right of access.
- RESPONDENT acknowledges that the A&M System may be required to post a copy of the fully executed Agreement on its Internet website in compliance with Section 2261.253(a)(1), *Texas Government Code*.

n. Deviations

Although deviations to the RFP are strongly discouraged, the RESPONDENT shall enumerate and provide a detailed description of any deviations to provisions contained in the RFP.

o. Supplemental Information

Information or exhibits provided that are not specifically requested in *Sections a. through n.* above should be included at the end of the proposal behind an index tab entitled “o. Supplemental Information”.

RESPONDENT shall provide one (1) electronic copy of the complete RFP response as specified above.

All electronic copies must either be in Microsoft Office software or Adobe Portable Document Format (PDF). All image files must be in one of the following formats: .jpg, .gif, .bmp, or .tif. We prefer image files to already be inserted as part of a document such as a PDF. Individual image files must be clearly named and referenced in your proposal response. Electronic proposals shall indicate the RESPONDENT’s company name and the RFP number.

Proposals shall consist of items identified in Section 2.3 of the RFP. Failure to comply with all requirements contained in this Request for Proposal may result in the rejection of the submittal.

2.4 Submittal Guidelines

All proposals must be submitted according to the following guidelines:

- All proposals must include *Section a.* through *Section n.* as described in *Section 2.3*. Each of these divisions should be titled to match each of the underlined titles in a. through p. i.e. “a. Contact Information”.
- Information or exhibits you wish to provide that are not specifically requested in *Section a.* through *Section n.*, should be included at the end of the proposal and entitled “o. Supplemental Information”.

2.5 Inquiries and Interpretations

Responses to inquiries which directly affect an interpretation or change to this RFP will be issued in writing by addendum/amendment and posted to the Electronic State Business Daily (ESBD) at the following site;

http://esbd.cpa.state.tx.us/sagencybid.cfm?startrow=1&endrow=25&ag_num=710&orderby=Agency

All such addenda/amendments issued by A&M System prior to the time that proposals are received shall be considered part of the RFP, and the RESPONDENT shall consider and acknowledge receipt of such in their proposal. Only those A&M System replied to inquiries which are made by formal written addenda shall be binding. Oral and other interpretations or clarification will be without legal effect.

2.6 General Instructions

- a. The execution of a contract pursuant to this RFP is dependent upon the negotiation of a contract with the selected RESPONDENT and approval by the appropriate officials in accordance with the policies and regulations of the A&M System.
- b. The A&M System reserves the right to alter the specifications of its benefit programs and subsequently negotiate with the selected RESPONDENT as needed to comply with any required changes.
- c. In the event the selected organization fails to perform any of its duties or obligations as provided by the contract which will include the RFP and the RESPONDENT's response to the RFP, the A&M System without limiting any other rights or remedies it may have by law, equity or under contract, shall have the right to terminate the contract immediately. The selected organization understands and acknowledges that, notwithstanding any termination of the contract, certain obligations shall survive the termination of the contract.

In addition to and without restricting or waiving any other legal, contractual or equitable remedies otherwise available to the A&M System, the A&M System may terminate the contract without cause by giving the selected organization ninety (90) days written notice.

In the event of a change in condition which may affect the SORP plan administrative services for which proposals are solicited, the A&M System will expect a good-faith effort from any RESPONDENT selected to absorb additional costs during the term of the contract without requiring fee increases until the next negotiation date. Such changes include, but are not limited to, the following:

- Rules stated by the Texas Higher Education Coordinating Board (THECB)
- Opinions of the Attorney General of the State of Texas.
- Federal and State statutes, court decisions and regulations from agencies and departments that may affect the retirement programs.

Information provided to the RESPONDENT, including lists of employees or other employee data may not be used to solicit any other investment product, annuity product, or any other product, unless specifically approved in advance by the A&M System.

Your proposal may be rejected if:

- it is not completed in accordance with RFP instructions,

- it contains significantly inaccurate information, or
- the A&M System believes that rejection of the proposal is in the best interest of the State and its employees.

2.7 Schedule of Implementation

- | | |
|--|-------------------------|
| • Selected RESPONDENT will provide draft of recordkeeping agreement, custodial agreement, and any other required legal documentation | Within 2 weeks of award |
| • Participant account information provided to vendor and contract information for previous vendor to begin transfer process | October 9, 2017 |
| • Recordkeeping agreement, custodial agreement and any other required legal documentation completed and signed by both parties | November 1, 2017 |
| • Plan account transfer info mailed by vendor to current participants | October 16, 2017 |
| • Effective date of plan | September 1, 2017 |
| • All plan assets should be transferred to vendor | November 1, 2017 |

2.8 Qualifications of RESPONDENT

The RESPONDENT must have a net worth of at least \$1 billion, as demonstrated by an audited financial statement as of the close of the RESPONDENT's most recent fiscal year. To affirm financial capability, the RESPONDENT must submit all documentation as requested in the Company Profile to be included in *Exhibit C* of your RFP response (*See Exhibit C, item d.*).

All entities responding to this RFP must certify (*see Section 2.3i.*) that they are licensed to do business in the state of Texas and permitted to contract with the State or any of its subdivisions. The organization must also certify in *Section 2.3i.* that it is in good standing with the Texas Department of Insurance (TDI) and disclose any actions that are pending or in process with TDI. Each vendor will be required to have prior experience and extensive knowledge of Texas ORP and Chapter 830, Title 8 of the Texas Government Code.

2.9 Contract Documents

Within two weeks from notice of award of the contract, the RESPONDENT will provide a first draft of plan documents to System Benefits Administration in electronic format (preferably MS WORD) for review and edits. **Completion of these documents is not required as part of the RFP response.** The A&M System anticipates receiving the following documents:

- Application
- Recordkeeping Contract
- Custodial Contract
- Administrative Agreement/Manual – Often times, the recordkeeping and custodial contracts do not address all administrative issues needing to be documented in writing. To the extent such terms and conditions are not addressed, we will require an Administrative Agreement/Manual.

2.10 Eligibility

The A&M System provides automatic participation in the Supplemental Optional Retirement Program (SORP) to eligible employees as an enhancement to ORP participation for employees enrolled in ORP prior to September 1, 1996, who exceed the federal tax code's Section 415(c) maximum contribution limit imposed on ORP participants. Like Texas ORP, participation in the SORP is mandatory for those that are eligible.

The A&M System will, in all cases, determine eligibility for participants in accordance with its rules and procedures and those of the Internal Revenue Code. If these rules and procedures differ from those normally utilized by the RESPONDENT, it is understood that the A&M System's determination will prevail.

2.11 Communications and Enrollment

The A&M System will enroll employees in the SORP program. The A&M System will require the selected RESPONDENT to distribute participant statements on at least a quarterly basis. Costs associated with this process must be included in your proposal.

On a monthly basis throughout the year, the A&M System will send retirement contributions for participants. The A&M System uses a common remitter for all vendor remittances. The common remitter is currently VALIC Retirement Services Company (VRSCO). The RESPONDENT will be required to receive contributions by EFT wire from VRSCO and download the remittance file using the format in *Exhibit E*.

The A&M System will make personnel available during normal business hours to respond to inquiries about SORP participants.

SECTION 3 – GENERAL ADMINISTRATION

3.1 Required Services

Notwithstanding other sections of this RFP which describe administrative interactions between the A&M System and its vendors, proposing organizations are hereby advised of the administrative requirements listed in this section of the RFP. Proposing organizations will become responsible for these items and services to the A&M System and SORP participants upon the award of any contract. **Any cost associated with these items and services must be included in your proposal.**

- a. Contracts issued to employees of the A&M System satisfying all requirements for income tax deferment under all applicable sections of the Internal Revenue Code, Texas state regulations, and Texas Attorney General's Opinions.
- b. Management agreements, in addition to any benefit contracts, which formalize the A&M System's relationship with the vendor.
- c. Communication materials necessary for the proper administration of the plans (including but not limited to participant notifications, enrollment materials, and participant mailings) subject to editing of format, content and final approval by the A&M System.
- d. Plan recordkeeping, administration and processing.

3.2 Current Funding

The SORP Plan is comprised of both employee and employer contributions set by state legislation as the specified ORP rate. The employee contribution is currently 6.65% of the participant's eligible salary. The employer contribution is 8.5% of the employee's eligible salary for those with an ORP start date prior to September 1, 1995. The employer contribution is 6.6% of the employee's eligible salary for those with an ORP start date prior to September 1, 1996. Contributions to the SORP plan will commence after the 415(c) limit has been reached from mandatory ORP contributions to the participant's ORP account.

The SORP plan year corresponds to the State and A&M System fiscal years which begin on September 1, and end on August 31.

SECTION 4 – SORP Plan

4.1 Plan Background

Senate Bill 1460 as passed by the 75th Legislature of Texas amended Section 830.004(c) of the Texas Government Code to allow boards or regents of Texas colleges and universities to establish qualified government excess benefit arrangements under Section 415(m) of the Internal Revenue Code. These arrangements allow employee and employer contributions to exceed the federal tax code's maximum contribution limit imposed on participants in the Texas ORP.

In 1999, The Texas A&M University System established a qualified governmental excess benefit arrangement under Section 415(m) of the Internal Revenue Code (IRC) which is called the Supplemental Optional Retirement Program (SORP). This arrangement allows employee and employer contributions to exceed the Section 415(c) IRC maximum contribution limit imposed on participants in ORP who were enrolled in that plan prior to September 1, 1996.

4.2 Current Enrollment and Plan Assets

The A&M System SORP plan has a total of 30 participants. Plan assets as of May 2017 were \$4,816,808.

Quarterly asset balance as of the following dates:

09/30/2016 = \$4,310,687

12/31/2017 = \$4,362,639

03/31/2017 = \$4,652,988

4.3 Remittance Process

The A&M System has contracted with a third party common remitter (VALIC Retirement Services Company (VRSCO)). Each responding vendor must agree to accept and comply with all common remitter requirements. In addition, each responding vendor must have the administrative capability to accept the electronic transfer of retirement contributions and must agree to accept this information through a secured transmission process in the required file format included in *Exhibit E*.

SECTION 5 – ADMINISTRATION

5.1 Distributions

A distribution of funds from SORP will be made only after a distributable event, defined in the SORP plan document, and only upon receipt of a properly completed SORP Notification of Change in Employment Status Form from System Benefits Administration confirming termination, distributable event, and vesting status.

The distribution election is chosen by the participant upon enrollment in the plan. The distribution election will be followed unless the participant balance is less than \$10,000, which requires a lump sum distribution, or the participant was defaulted into an election due to inactivity at enrollment.

5.2 Qualified Domestic Relations Orders (QDROs)

Each responding vendor must agree to be solely responsible for determining whether a domestic relations order is qualified and payable as provided by federal law and when applicable.

5.3 Contributions

Accurate records will be maintained on each participant in the SORP reflecting contributions received on a tax-deferred basis, separate accounting for employee and employer contributions, and identifying the account as 415(m).

Any requirements for a minimum monthly contribution or a minimum number of participants for group contracts are waived.

Each vendor must have a default process for participant contributions received without a prior account setup.

5.4 Communication Requirements

A toll-free interactive telephone system is available that will permit participants to access account accumulations or speak with customer service representatives.

A secure interactive Internet website is available that provides employee education and product performance information, and allows participants to request literature and prospectuses. In addition, the System requires that the website allow participants to access individual account accumulations, review monthly contribution allocations, reallocate contributions and change investment products.

A representative will be available to attend benefit fairs held at each System Member location at least once each year in order to acquaint participants with their investment options and services. A representative will participate in retirement and investment education seminars as scheduled by the System Member Human Resources offices and given by presenters selected by the System at least once each year. In addition, a representative will be available at least once per month for counseling new and current participants at each System Member Human Resources office if requested.

Each vendor will be required to partner with System Benefits Administration in the development of education and communication campaigns to promote the retirement programs. This includes printing, mailing, and other costs associated with the distribution of these materials.

5.5 Reporting

Remittances to the participant's account will be credited upon receipt of the electronic funds transfer (crediting to the account means processing the trade within one business day or depositing the contribution into an interest bearing account for the benefit of the participant if the trade cannot be processed within one business day). Remittance acknowledgments and account statements are to be sent directly to the participant no less than quarterly.

Corrections based on payroll or administrative errors will be reflected in remittance reports as negative contribution amounts and will be made by the vendor upon receipt of remittance. The vendor may contact the appropriate System Member Human Resources or Payroll Office for additional information regarding the correction, but may not delay posting of remittances to other participants' accounts based on the negative amount. If funds cannot be posted to participants' accounts upon receipt for any reason, posting must be made retroactive to the date of receipt, once the posting problem is resolved.

Each vendor, after initial approval, may be required to submit a complete recertification at any time or for any reason deemed appropriate by the System.

SECTION 6 – INVESTMENT PRODUCTS

6.1 Introduction

Responding vendors may choose to respond with proposals to offer both mutual fund and annuity products, but this is not required. If a vendor responds with proposals for multiple product types, the A&M System is in no way obligated to select all proposals, but may instead select one or more product proposals and reject others. The goal is to implement retirement programs with the best possible investment options, while continuing to offer diverse, high-quality options appropriate for a wide range of employee retirement needs, goals and investment acumen.

6.2 Menu of Options

Each responding vendor must assemble a menu(s) that reflect the following objectives:

- The menu(s) should reflect broad diversification opportunities within varied employee investment style preference. Suggested investment menus include:
 - 1) An investment menu consisting of Allocation and/or Lifecycle options appropriate for the employee seeking diversification plus maximum investment simplification through the use of a single investment option/choice selection.
 - 2) An investment menu consisting of a limited number of asset classes appropriate for the employee seeking to construct a more tailored investment portfolio without excessive complexity. This menu may offer pre-selected allocation models (e.g. conservative, moderate, aggressive) using the options from the investment menu. This investment menu may also offer both active and passive investment options within the asset classes used and the ability for the model configurations to be constructed with passive or active options.
 - 3) An investment menu consisting of multiple asset classes appropriate for the employee seeking maximum investment flexibility in constructing an investment portfolio. This menu would have a wide array of asset classes including specialty classes and would contain varied options within each offered asset class.
- A responding vendor's offered menu should limit redundant options within an asset class unless the multiple options offer some type of meaningful investment diversification.
- Any offered option shall be clearly and specifically identified such that its performance and characteristics can be measured and compared against other options within its asset classification category.
- If any offered option pays any type of fee or provides any type of service to the responding vendor offering such option within its menu, the responding vendor shall fully disclose the amounts and terms of such fees or services in the responding vendor's proposal.

6.3 Fees

All products offered to SORP participants must comply with the following fee requirements. However, each responding vendor should take into consideration the competitive nature of this RFP before proposing products with associated fees that are not reasonable or competitive for the industry:

- No front-end or back-end sales loads may be assessed to participant accounts.
- No surrender charges may be assessed to participant accounts.

- Group custodial and asset management fees assessed as a percent of assets may not exceed 0.80% combined. Custodial fees are assessed for administrative costs. Asset management fees are assessed for investment assistance, advice and counseling and are paid directly to the vendor (this does not include investment advisory fees elected by the participant paid directly to a registered investment advisor as defined in Section 830.107 of the Government Code).
- Investment advisory fees paid directly to a registered investment advisor elected by the participant as defined in Section 830.107 of the Texas Government Code must be separately disclosed on the participant statement.
- Mortality & expense fees assessed on annuity contracts may not exceed 0.80%.
- No annual account, maintenance, or policy fees may be assessed to participant accounts.
- No transfer fees on internal fund transfers (transfers between funds or within fund families with the same vendor) may be charged on annuity or mutual fund products.
- No transfer fees may be assessed on funds transferred to another vendor.
- No additional fees may be assessed on participant accounts without prior disclosure to the System Benefits Administration office.
- The System will post vendor fees on the System Benefits Administration website.

6.4 Fixed Annuities

Each fixed annuity investment product must provide for the protection of principal and a stated rate of return. The credited rate may vary on a monthly or quarterly basis. Ideally, a fixed annuity investment product will provide for a minimum rate of return for a specified period of time, e.g. duration of the contract, single calendar year, etc. The credit worthiness of the underlying investments in the fixed annuity product should be structured to minimize the possibility of loss of principal by participants.

SECTION 7 – EVALUATION OF PROPOSALS

7.1 Evaluation Information

Proposals submitted in response to this RFP shall be evaluated on the basis of the criteria listed below. The list of criteria is not exhaustive. The criteria are not listed in order of importance. While the criteria shall provide the basis for an objective evaluation of each proposal, the experience and judgment of the SORMBA staff and the evaluation committee shall also be important in the selection process.

- Compliance with the requirements listed in the RFP
- Financial Strength and Stability
- Administrative Capability
- Past experience
- Customer service
- Client services
- Participant and Investment Fees
- Investment products
- Participant Education
- References
- Finalist presentations
- Site visits

The A&M System is not required to select the lowest priced proposal. Evaluation of the proposals shall be based on criteria that A&M System deems to represent the **best value** to A&M System, to include but not limited to factors such as those enumerated above. A&M System will base its choice on demonstrated competence, knowledge, and qualifications and on the reasonableness of the proposed fee for the solution and related services; and if other considerations are equal, give preference to a RESPONDENT whose principal place of business is in the state of Texas or who will manage the contract wholly from an office in the state of Texas.

The A&M System may cancel this RFP or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. The selection of the successful proposal may be made by the A&M System on the basis of the proposals initially submitted, without discussion, clarification, or modification. In the alternative, selection of the successful proposal may be made by the A&M System on the basis of negotiation with any of the RESPONDENT. The A&M System shall not disclose any information derived from the proposals submitted by competing RESPONDENT in conducting such discussions.

All proposals must be complete and convey all of the information requested to be considered responsive. If a proposal fails to conform to the essential requirements of the RFP, A&M System alone will determine whether the variance is significant enough to consider the proposal susceptible to being made acceptable, and therefore a candidate for further consideration, or not susceptible and therefore not considered for award.

The RFP provides the information necessary to prepare and submit proposals for consideration by A&M System. All properly submitted proposals will be reviewed, evaluated, and ranked by A&M System. A&M System will rank the RESPONDENTS in the order that they provide the

overall best value to A&M System based on an evaluation of the responses to the RFP. A&M System may interview one or more of the top ranked RESPONDENTS as part of the evaluation process.

The A&M System may perform reference checks and seek further information, as needed, from all Respondents whose proposals the A&M System, at its discretion, considers viable, based on the initial evaluation and scoring. The RESPONDENT's response to this requirement officially authorizes the A&M System to contact these organizations to discuss the services and other considerations which the RESPONDENT has provided to such organizations and authorizes the organizations to provide such information to the A&M System. RESPONDENT shall and hereby does release and hold harmless the A&M System, the state of Texas, and the organization of any and all liability whatsoever, in connection with providing and receiving all such information. Any negative responses received from reference checks may be grounds for disqualification of the proposal.

Should A&M System determine in its sole discretion that only one RESPONDENT is fully qualified, or that one RESPONDENT is clearly more highly qualified than the others under consideration, a contract may be negotiated and executed with that RESPONDENT. The contract will be an agreement incorporating by reference all the requirements, terms and conditions of the solicitation and the RESPONDENT's proposal as negotiated.

Submission of proposals indicates RESPONDENT's acceptance of the evaluation techniques and the recognition that subjective judgments must be made by A&M System during the evaluation process.

A&M System reserves the right to accept or reject any or all offers, to waive informalities and technicalities, to accept the offer considered most advantageous, and/or to make the award to the most responsive RESPONDENT.

SECTION 8 – GENERAL TERMS AND CONDITIONS

8.1 Terms and Conditions

A&M System reserves the right to accept, reject, modify, and/or negotiate any and all proposals received in conjunction with this RFP. It reserves the right to waive any defect or informality in the proposals on the basis of what it considers to be in its best interests. Any submittal which A&M System determines to be incomplete, conditional, obscure, or which has irregularities of any kind, may be rejected. A&M System reserves the right to award to the firm, or firms, which in our sole judgment, will best serve our long-term interest.

This RFP in no manner obligates A&M System to the eventual purchase of any products or services described, implied, or which may be proposed, until confirmed by written agreement, and may be terminated by A&M System without penalty or obligation at any time prior to the signing of an agreement.

The RESPONDENT must include a formal copy of any RESPONDENT terms and conditions applicable to this transaction. Evaluation and acceptance and/or modification of these terms and conditions by the A&M System Office of General Counsel are essential prior to the award of the agreement. In the event the RESPONDENT does not supply terms and conditions with their submittal, the A&M System terms and conditions will govern this transaction.

8.2 Governing Law

RESPONDENT agrees that, in the event of a dispute, laws of the State of Texas will prevail.

8.3 Non-Discrimination

The parties agree that in the performance of any contract they shall not discriminate in any manner on the basis of race, color, national origin, age, religion, sex, genetic information, veteran status, sexual orientation, gender identity, or disability protected by law. Such action shall include, but is not limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation. By submitting a submittal, RESPONDENTS certify that they will conform to the provisions of the federal Civil Rights Act of 1964, as amended.

8.4 Immigration Reform and Control Act of 1986

By submitting a proposal, the RESPONDENT certifies it does not and will not, during the performance of this contract, employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986, as amended.

8.5 Debarment Status

By submitting a statement of qualification, RESPONDENT certifies it is not currently debarred from submitting proposals on contracts nor is it an agent of any person or entity that is currently debarred from submitting bids on contracts.

8.6 Indemnification and Hold Harmless

The RESPONDENT shall defend, indemnify and hold harmless A&M System, its officers, employees and agents, against any and all liability of whatever nature which may arise directly or indirectly by reason of the RESPONDENT's performance under the agreement.

8.7 RESPONDENT Liability

The RESPONDENT will be liable for any associated costs of repairs for damage to buildings or other A&M System property caused by the negligence of the RESPONDENT's employees.

8.8 Civil Rights Requirements

All RESPONDENTS must comply with applicable civil rights laws.

8.9 Non-Collusion Clause

The Non-Collusion Affidavit found in **EXHIBIT B** must be executed as a part of the RESPONDENT's submittal.

8.10 Entire Agreement

An agreement, when fully executed, shall supersede any and all prior and existing agreements, either oral or in writing, and will contain all the covenants and agreements between the parties with respect to the subject matter of the agreement. Any amendment or modification to the agreement must be in writing and signed by the parties hereto.

8.11 Severability

It is understood and agreed that if any part, term, or provision of the agreement is by the courts held to be illegal or in conflict with any law of the State of Texas, the validity of the remaining portions or provisions shall be construed and enforced as if the agreement did not contain the particular part, term, or provision held to be invalid.

8.12 Publicity

RESPONDENTS must refrain from giving any reference to this project, whether in the form of press releases, brochures, photographic coverage, or verbal announcements, without specific written approval from A&M System.

Information provided to RESPONDENT by A&M System, including but not limited to information from the members, officers, agents, or employees of A&M System or any of its members, and information provided to RESPONDENT by members of the public or any other third party shall belong to A&M System.

8.13 Independent Contractor

The successful RESPONDENT agrees that in all respects its relationship with A&M System will be that of an independent contractor, and that it will not act or represent that it is acting as an agent of the A&M System or incur any obligation on the part of A&M System without written authority of A&M System. As an independent contractor, RESPONDENT will be solely responsible for determining the means and methods for performing the services described. RESPONDENT shall observe and abide by all applicable laws and regulations, policies and procedures, including but not limited to, those of A&M System relative to conduct on its premises.

8.14 Ownership of Documents

Upon completion or termination of any agreement, all documents prepared by the RESPONDENT for the benefit of A&M System shall become the property of A&M System. At

A&M System option, such documents will be delivered to the System Procurement Office. A&M System acknowledges that the documents are prepared only for the contracted services specified. Prior to completion of the contracted services, A&M System shall have a recognized proprietary interest in the work product of the RESPONDENT.

8.15 Conflict of Interest

RESPONDENT and each person signing on behalf of RESPONDENT certifies, and in the case of a sole proprietorship, partnership or corporation, each party thereto certifies as to its own organization, that to the best of their knowledge and belief, no member of The A&M System or The A&M System Board of Regents, nor any employee, or person, whose salary is payable in whole or in part by The A&M System, has direct or indirect financial interest in the award of this Agreement, or in the services to which this Agreement relates, or in any of the profits, real or potential, thereof.

8.16 Prohibition on Contracts with Companies Boycotting Israel

By submitting a proposal, the RESPONDENT certifies it does not and will not, during the performance of this contract, boycott Israel.

8.17 INSURANCE

The RESPONDENT shall obtain and maintain, for the duration of the agreement or longer, the minimum insurance coverage set forth below. With the exception of Professional Liability (E&O), all coverage shall be written on an occurrence basis. All coverage shall be underwritten by companies authorized to do business in the State of Texas or eligible surplus lines insurers operating in accordance with the Texas Insurance Code and have a financial strength rating of A- or better and a financial strength rating of VII or better as measured by A.M. Best Company or otherwise acceptable to A&M System. By requiring such minimum insurance, A&M System shall not be deemed or construed to have assessed the risk that may be applicable to the RESPONDENT. RESPONDENT shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage. RESPONDENT is not relieved of any liability or other obligations assumed pursuant to the agreement by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. No policy will be canceled without unconditional written notice to A&M System at least ten days before the effective date of the cancellation.

Note: Some of these requirements are specific to the construction phase of the project. Upon construction completion some of these requirements may be dropped for the continued operation and maintenance phase.

Coverage

Limit

A. Worker's Compensation

Statutory Benefits (Coverage A)
Employers Liability (Coverage B)

Statutory
\$1,000,000 Each Accident
\$1,000,000 Disease/Employee
\$1,000,000 Disease/Policy Limit

Workers' Compensation policy must include under Item 3.A. on the information page of the workers' compensation policy the state in which work is to be performed for A&M System. Workers' compensation insurance is required, and no "alternative" forms of insurance will be permitted

B. Automobile Liability

Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 Single Limit of liability per accident for Bodily Injury and Property Damage;

If a separate Business Auto Liability policy is not available, coverage for hired and non-owned auto liability may be endorsed on the Commercial General Liability policy.

Additional Endorsements

The Auto and Commercial General Liability Policies shall name the Texas A&M University System Board of Regents for and on behalf of The Texas A&M University System as additional insured's.

C. Commercial General Liability

Each Occurrence Limit	\$1,000,000
General Aggregate Limit	\$2,000,000
Products / Completed Operations	\$1,000,000
Personal / Advertising Injury	\$1,000,000
Damage to rented Premises	\$300,000
Medical Payments	\$5,000

The required commercial general liability policy will be issued on a form that insures PROVIDER's or its subcontractors' liability for bodily injury (including death), property damage, personal and advertising injury assumed under the terms of this Agreement

- D. **Professional Liability (Errors & Omissions)** Insurance with limits of not less than \$1,000,000 each occurrence, \$2,000,000 aggregate. Such insurance will cover all professional services rendered by or on behalf of RESPONDENT and its subcontractors under this Agreement. Renewal policies written on a claims-made basis will maintain the same retroactive date as in effect at the inception of this Agreement. If coverage is written on a claims-made basis, RESPONDENT agrees to purchase an Extended Reporting Period Endorsement, effective for two (2) full years after the expiration or cancellation of the policy. No professional liability policy written on an occurrence form will include a sunset or similar clause that limits coverage unless such clause provides coverage for at least three (2) years after the expiration of cancellation of this Agreement.

E. PROVIDER will deliver to A&M System:

Evidence of insurance on a Texas Department of Insurance approved certificate form verifying the existence and actual limits of all insurance after the execution and delivery of this Agreement and prior to the performance of any services by PROVIDER under this Agreement. Additional evidence of insurance will be provided on a Texas Department of Insurance approved certificate form verifying the continued existence of all required insurance no later than thirty (30) days after each annual insurance policy renewal.

All insurance policies, with the exception of worker's compensation, employer's liability and professional liability will be endorsed and name The Board of Regents for and on behalf of The Texas A&M University System and The Texas A&M University System as Additional Insureds up to the actual liability limits of the policies maintained by PROVIDER. Commercial General Liability and Business Auto Liability will be endorsed to provide primary and non-contributory coverage. The Commercial General Liability Additional Insured endorsement will include on-going and completed operations and will be submitted with the Certificates of Insurance.

All insurance policies will be endorsed to provide a waiver of subrogation in favor of The Board of Regents of The Texas A&M University System and The Texas A&M University System. No policy will be canceled without unconditional written notice to A&M System at least ten days before the effective date of the cancellation. All insurance policies will be endorsed to require the insurance carrier providing coverage to send notice to A&M System ten (10) days prior to the effective date of cancellation, material change, or non-renewal relating to any insurance policy required in this Section 8.

Any deductible or self-insured retention must be declared to and approved by A&M System prior to the performance of any services by PROVIDER under this Agreement. PROVIDER is responsible to pay any deductible or self-insured retention for any loss. All deductibles and self-insured retentions will be shown on the Certificates of Insurance.

Certificates of Insurance and Additional Insured Endorsements as required by this Agreement will be mailed, faxed, or emailed to the following A&M System contact:

The Texas A&M University System
Attn: Jeff Zimmermann
301 Tarrow Street, Suite 361
College Station, TX 77840
Facsimile Number: (979) 458-6101
Email Address: jzimmermann@tamus.edu

The insurance coverage required by this Agreement will be kept in force until all services have been fully performed and accepted by A&M System in writing.

8.18 DISPUTE RESOLUTION

The dispute resolution process provided in Chapter 2260, *Texas Government Code*, and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, shall be used by A&M System and RESPONDENT to attempt to resolve any claim for breach of contract made by RESPONDENT that cannot be resolved in the ordinary course of business. RESPONDENT shall submit written notice of a claim of breach of contract under this Chapter to the Executive Vice

Chancellor and Chief Financial Officer for A&M System, who shall examine RESPONDENT's claim and any counterclaim and negotiate with RESPONDENT in an effort to resolve the claim.

8.19 VENUE

Pursuant to Section 85.18, *Texas Education Code*, venue for any suit filed against A&M System shall be in the county in which the primary office of the chief executive officer of A&M System is located. At the date of this RFP, such county is Brazos County, Texas.

8.20 STATE AUDITOR'S OFFICE

RESPONDENT understands that acceptance of funds under this Agreement constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, "Auditor"), to conduct an audit or investigation in connection with those funds pursuant to Section 51.9335(c), *Texas Education Code*. RESPONDENT agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation, providing all records requested. RESPONDENT will include this provision in all contracts with permitted subcontractors.

RESPONDENT shall neither assign its rights nor delegate its duties under this Agreement without the prior written consent of A&M System.

EXHIBIT A
EXECUTION OF OFFER

RFP01 RISK-17-030

DATE:

In compliance with this RFP, and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all commodities or services at the prices quoted.

A.1 Respondent Affirmation

NOTE TO RESPONDENTS: SUBMIT ENTIRE SECTION WITH RESPONSE.

This execution of offer must be completed, signed, and returned with the respondent's qualifications. Failure to complete, sign and return this execution of offer with the qualifications may result in rejection of the qualifications.

Signing a false statement may void the submitted qualifications or any agreements or other contractual arrangements, which may result from the submission of respondent's qualifications. A false certification shall be deemed a material breach of contract and, at owner's option, may result in termination of any resulting contract or purchase order.

Addenda Acknowledgment

Receipt is hereby acknowledged of the following addenda to this RFP by entering yes or no in space provided and indicating date acquired. Enter "0" if none received.

No. 1 _____ Date _____

No. 2 _____ Date _____

A.2 Signature

By signing below, the Respondent hereby certifies as follows, and acknowledges that such certifications will be included in any resulting contract:

- (i) The proposal and all statements and information prepared and submitted in response to this RFP are current, complete, true and correct;
- (ii) it is not given, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount trip, favor or service to a public servant in connection with the submitted proposal. Failure to sign below, or signing a false statement, may void the Response or any resulting contracts at the Owner's option, and the Respondent may be removed from all future proposal lists at this state agency;
- (iii) the individual signing this document and the documents made part of the RFP is authorized to sign such documents on behalf of the Respondent and to bind the Respondent under any contract which may result from the submission of the Response;
- (iv) no relationship, whether as a relative, business associate, by capital funding agreement or by any other such kinship exists between Respondent and an employee of The Texas A&M University System;
- (v) Respondent has not been an employee of the A&M System within the immediate twelve (12) months prior to the RFP response;
- (vi) no compensation has been received for participation in the preparation of this RFP (ref. Section 2155.004 Texas Government Code);

- (vii) all services to be provided in response to this RFP will meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health law (Public Law 91-596) and its regulations in effect as of the date of this solicitation;
- (viii) Respondent complies with all federal laws and regulations pertaining to Equal Employment Opportunities and Affirmative Action;
- (ix) to the best of its knowledge, no member of the Board of Regents of The Texas A&M University System, or the Executive Officers of the Texas A&M University System or its member institutions or agencies, has a financial interest, directly or indirectly, in the Project;
- (x) each individual or business entity proposed by Respondent as a member of its team that will engage in the practice of engineering or architecture will be selected based on demonstrated competence and qualifications only;
- (xi) if the Respondent is subject to the Texas franchise tax, it is not currently delinquent in the payment of any franchise tax due under Chapter 171, Texas Tax Code, or is exempt from the payment of such taxes. A false certification may result in the Respondent's disqualification;
- (xii) under Section 231.006, Family Code, the vendor or applicant certifies that the individual or business entity named in this contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate; and,
- (xiii) under Section 2155.006, Government Code, the vendor certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

RESPONDENT shall provide Federal EIN/Tax ID number, full VENDOR name and address of Vendor in the spaces below. Failure to either manually or electronically (DocuSign) sign in the Authorized Signature line below will disqualify the submission. The person signing shall show title and have authority to bind his/her firm into a contractual relationship.

Federal EIN/Tax ID: _____

Vendor/Company Name: _____

Authorized Signature: _____

Name: _____

Title: _____

Street: _____

City/State/Zip: _____

Telephone No.: _____

Fax No.: _____

E-mail: _____

<p>* By signing this RFP, RESPONDENT certifies that if a Texas address is shown as the address of the respondent, respondent qualifies as a Texas Resident Bidder as defined in Texas Government Code, § 2252.001(4)</p>
--

EXHIBIT B – NON-COLLUSION AFFIDAVIT

RFP01 RISK-17-030

The undersigned, duly authorized to represent the persons, firms and corporations joining and participating in the submission of the foregoing Proposal (such persons, firms and corporations hereinafter being referred to as the "RESPONDENT"), being duly sworn, on his or her oath, states that to the best of his or her belief and knowledge no person, firm or corporation, nor any person duly representing the same joining and participating in the submission of the foregoing Proposal, has directly or indirectly entered into any agreement or arrangement with any other RESPONDENTS, or with any official of The Texas A&M University System ("A&M System") or any employee thereof, or any person, firm or corporation under contract with A&M System whereby the RESPONDENT, in order to induce acceptance of the foregoing Proposal by said A&M System, has paid or is to pay to any other RESPONDENT or to any of the aforementioned persons anything of value whatever, and that the RESPONDENT has not, directly or indirectly entered into any arrangement or agreement with any other RESPONDENT or RESPONDENTS which tends to or does lessen or destroy free competition in the letting of the contract sought for by the foregoing Proposal.

The RESPONDENT hereby certifies that neither it, its officers, partners, owners, providers, representatives, employees and parties in interest, including the affiant, have in any way colluded, conspired, connived or agreed, directly or indirectly, with any other RESPONDENT, potential RESPONDENT, firm or person, in connection with this solicitation, to submit a collusive or sham bid, to refrain from bidding, to manipulate or ascertain the price(s) of other RESPONDENTS or potential RESPONDENTS, or to obtain through any unlawful act an advantage over other RESPONDENTS or A&M System.

The prices submitted herein have been arrived at in an entirely independent and lawful manner by the RESPONDENT without consultation with other RESPONDENTS or potential RESPONDENTS or foreknowledge of the prices to be submitted in response to this solicitation by other RESPONDENTS or potential RESPONDENTS on the part of the RESPONDENT, its officers, partners, owners, providers, representatives, employees or parties in interest, including the affiant.

CONFLICT OF INTEREST

The undersigned RESPONDENT and each person signing on behalf of the RESPONDENT certifies, and in the case of a sole proprietorship, partnership or corporation, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief, no member of A&M System, nor any employee, or person, whose salary is payable in whole or in part by A&M System, has a direct or indirect financial interest in the award of this Proposal, or in the services to which this Proposal relates, or in any of the profits, real or potential, thereof, except as noted otherwise herein.

Respondent Signature _____

Company Name _____

Date _____

Notary Signature _____

Subscribed and sworn to before me this

_____ day of _____, 2017.

Notary Public in and for the County of _____, State of

_____. My commission expires: _____

THE EXECUTION OF OFFER AND NON-COLLUSION AFFIDAVIT MUST BE COMPLETED, SIGNED, AND RETURNED WITH RESPONDENT'S SUBMISSION. FAILURE TO SIGN AND RETURN THESE DOCUMENTS WILL RESULT IN THE REJECTION OF YOUR SUBMISSION.

EXHIBIT C – COMPANY PROFILE

- a. Please provide the following:
 - Legal Name
 - DBA Name
 - Number of Years in Business
 - Type of Operation (i.e., Individual, Partnership, Corporation)
 - Number of Employees
 - Annual Revenues
- b. Provide a general overview of the company, including where the company is headquartered, if it has a major base of operation in Texas, and if it has operated under other names.
- c. Include a narrative history of the firm and its background in providing employee group benefits. Explain the added value or service that your organization provides that distinguishes it from all others.
- d. Provide a copy of your company's audited financial statements for the past two (2) years.
- e. Provide a financial rating of your company and any documentation (such as a Dunn and Bradstreet Analysis) which indicates the financial stability of your company.
- f. Describe your company's disaster recovery and contingency plans. Have you ever tested or actually implemented these plans?
- g. Is your company currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, please explain the impact both in organizational and directional terms.
- h. Provide details of all past or pending litigation or claims filed against your company that would negatively impact your company's performance under an agreement with the A&M System.
- i. Is your company currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity. If yes, specify date(s), details, circumstances, and prospects for resolution.

EXHIBIT D – QUESTIONNAIRE

Complete the attached questionnaire as instructed and include it in *Section k.* of your RFP response.

General Instructions

- A. When responding, please restate the question and provide your answer immediately thereafter.
- B. Do not change the format of the Questionnaire. Do not change the numbering system within the Questionnaire. Do not leave any question blank. Do not change any questions. Do not provide an answer such as “it is in another exhibit” or “can be found under another question.”
- C. Provide all exhibits requested in the Questionnaire at the end of the Questionnaire.
- D. Proposed plan design, investment option and associated fees must be guaranteed for the initial three-year term through August 31, 2020.
- E. Please base quantitative responses on the 12 months ending August 31, 2016, or the most recent 12-month period available, unless otherwise specified.
- F. The A&M System operates on a fiscal year beginning September 1 and ending August 31.

Background Information

- 1. Where will the account representative be located? Will this individual have responsibility for other clients? If yes, how many?
- 2. Please provide the URL for your participant website. Will you provide a microsite for A&M System employees? If so, what information will be included on this site?
- 3. Would your employees use a secure e-mail system to communicate with A&M System staff and, if so, what system do you use?
- 4. Please provide the location of the office where the following functions are performed and note how long the office has been in operation.
 - a. Account Manager/Account Representative
 - b. Operations and processing
 - c. Customer service
 - d. Financial Representatives/Consultants/Advisors
- 5. Describe your organization’s commitment to quality and your philosophy/approach to client services.
- 6. Describe your procedures for monitoring client and participant satisfaction.
- 7. Describe your service/timing standards.
- 8. What checks and balances do you have in place to assure plan administration integrity and accuracy including participant account data?

Recordkeeping/Administration

9. Do you provide one main contact for the daily administrative needs of the plan?
10. Do you provide daily valuation? Describe in detail how your system allocates earnings.
11. What methods of data transmission are available?
12. Describe in detail how your system processes contributions.
13. Describe in detail, including timing, how your system processes withdrawals.
14. Describe in detail, including timing, how your system processes lump-sum distributions, systematic payments/installments.
15. Describe in detail how your system processes transfers/exchanges between investments, including frequency, limitations, and any short-term trading fees. Are confirmations sent?
16. Describe your process and methods of reallocation (percent and/or dollar).
17. Can employer and employee contributions be tracked separately?
18. Describe in detail how your system handles Federal and State tax reporting and how you will provide tax form preparation and filing.
19. Describe in detail how you administer and qualify Domestic Relations Orders (DROs). (The A&M System does not administer QDROs. The vendor would be required to handle this.)
20. What checks and balances do you have in place to ensure transaction integrity?
21. Do you provide an administration manual?
22. Will you record keep non-proprietary investment vehicles? Describe the process and systems used.
23. What other administrative services do you provide?
24. Describe in detail the fees and revenue sharing amounts you receive with any non-proprietary investment vehicles.
25. Provide a sample contract with all applicable guaranteed rates, investment periods, annuitization rates, mortality and expense fees and all other numerical entries inserted therein for any variable or fixed annuity contract to be used.

Regulatory and Legal Services

26. Describe the type of legal support included in your proposal and any fees that apply.
27. How do you keep plan sponsors informed and updated on any regulatory and legislative changes?
28. How do you ensure that your recordkeeping system is in compliance with all regulations?

29. Describe any past or pending litigation, within the last 5 years, relating to or regarding services similar to the services you are proposing to provide.

Reporting

30. Describe the standard reporting package that you would provide, as well as, the medium(s) used (provide samples).
31. Describe your standard participant level statements and documents (provide samples).
32. Describe your customization capabilities for participant level statements.
33. What is the standard timeframe for providing reports after the reporting period ends?

Employee Services

34. Describe the services available through your voice response system (VRS).
35. How are transactions processed from VRS? How are transactions documented? Are confirmations sent?
36. Describe how data is secured within the VRS (i.e., PIN, audit trail, confirmations).
37. What are the standard hours of operation for your VRS?
38. Are there any transactions that cannot be processed through the VRS?
39. Is the VRS menu easy for participants to use? Does it include “help” information? Describe the structure in detail.
40. Can a participant elect to move from the VRS to a service representative? When and what services are available?
41. How often is the data on the VRS updated? How does the VRS interface with the recordkeeping system?
42. Describe the account services and transactions capabilities available through your participant website.
43. How are website transactions processed and documented?
44. Are there any transactions that cannot be processed through your website?
45. Describe how data is secured within the website (i.e., PIN, audit trail, etc.).
46. If a participant elects to move from the website to a representative, describe the interface between the website and the service representative.
47. How often is the data on the website updated?

48. Identify your website account access and transactional availability statistics (average availability per month as a percentage).
49. Describe your plan sponsor website including capabilities, plan sponsor access, and reporting (standard and ad hoc) in detail. Can information be securely imported to Excel or pdf files?
50. Identify your toll-free service center standards. Please include for each of the last three calendar quarters, statistics related to actual performance, including number of calls, average length of calls, average response time, percentage of calls requiring follow-up, call abort rate, percentage of incoming calls totally handled via VRS versus toll-free live service center representative assistance, and percentage of service requests handled via website versus call center and VRS.
51. What training is provided to service center representatives before they are allowed to handle incoming calls?
52. Do you monitor and/or record service center calls?
53. What are your case management procedures for calls that have service issues?
54. What information is available to service representatives to allow them to effectively answer participant questions?
55. Explain your method of providing one-on-one financial education.
56. Provide the number of investment representatives that will be provided by your organization.
57. What training is provided to investment representatives before they are allowed to service employees?
58. What ongoing training do you provide to investment representatives?
59. How do you respond to employee complaints and concerns regarding investment representatives?

Communication and Education

60. Briefly describe your background and experience in providing communication and education programs.
61. Identify the key elements provided as part of a standard communication and education program package included in your proposal.
62. Who will you provide as personnel resources as part of both the initial and on-going communication and education program?
63. Do you provide communication and education material in a foreign language? If so, what language(s) and what material?
64. Do you create all of your communication and education material in-house or through third-parties?

65. Describe the process you use to help plan sponsors measure the effectiveness of employee education efforts.
66. Does your organization provide any services (i.e., personal questionnaires, online calculators) that would help individual participants with financial planning? Describe any electronic education tools you provide.
67. Describe your position on providing investment advice to participants. What fiduciary responsibility do you assume if advice is provided?
68. If advice is offered, is it in-house or via a third party? Describe your process, mode and scope of advice.
69. Provide samples of initial enrollment and distribution materials.

Implementation

70. How much lead-time would you need to implement the program from the time you are selected? Please provide a detailed timetable for implementation based on a November 1, 2017 start date.
71. Describe the services you will furnish with respect to installation of the plan.
72. Provide a sample work plan illustrating the transition of a plan to you from the previous vendor/custodian (include data requirements, dates, etc.).

EXHIBIT E – SUPPLEMENTAL FILES TO RFP INSTRUCTIONS

You should have downloaded the following files along with the RFP instructions. If you failed to download these files, you can do so by returning to the Electronic State Business Daily where you downloaded the RFP.

1) *SORP Plan document*

This document contains the established requirements, regulations, and rules of the SORP 415(m) plan.

2) *Exhibit E-7 Vendor Rating Information*

This is for insurance and annuity companies to submit rating information.

3) *Exhibit E-6 Product/Investment Fee and Performance Disclosure for SORP*

This form is submitted when a vendor requests approval to offer an investment product.

4) *Sample SORP Participation and Distribution Election Form (HR21)*

This is the form sent to new SORP participants to establish how assets will be distributed upon termination.

5) *Sample SORP Notification of Change in Employment Status (HR23)*

This is the form sent to the vendor to indicate that an employee has terminated and the distributable event and effective date.

6) *SORP Q & A*

This is the document sent to new SORP participants to answer questions they may have about how the program works and the rules.

7) *Eligibility Flow Chart*

This document shows the current salary requirement and ORP start date to qualify for the SORP program.

8) *Provider Remittance File Format*

This document contains the requirements for the vendor to receive remittance information from the common remitter VRSCO.