

**Washtenaw Intermediate School District**

1819 S. Wagner Road  
P.O. Box 1406  
Ann Arbor, MI 48106-1406

**Wayne County RESA**

33500 Van Born Rd.  
Wayne, MI 48184

**REQUEST FOR PROPOSAL  
For  
403b Plans  
For Individual Constituent Districts**

**Issued By:**

Washtenaw Intermediate School District  
Wayne County RESA

On behalf of themselves and their constituent K-12 public school districts

**Contact:**

Sharon Raschke  
Phone: (734) 424-4107  
FAX: (734) 424-4111  
E-mail: [raschke@dexter.k12.mi.us](mailto:raschke@dexter.k12.mi.us)

***Written replies to this proposal must be received by the Business Office at Washtenaw Intermediate School District, no later than May 19, 2008, 10:00 AM (EST). Submittal by fax is not acceptable.***

## INTRODUCTION

### DEFINITIONS

The District – Refers to the Washtenaw Intermediate School District and its constituent school districts of Ann Arbor, Chelsea, Dexter, Lincoln, Manchester, Saline, Whitmore Lake, Willow Run and Ypsilanti AND Wayne County Regional Educational Service Agency and its constituent school districts of Allen Park, Crestwood, Dearborn, Dearborn Heights No. 7, Garden City, Gibraltar, Grosse Ile, Grosse Pointe, Harper Woods, Huron, Lincoln Park, Livonia, Melvindale-No. Allen Park, Northville, Plymouth-Canton, Redford Union, River Rouge, Riverview, Romulus, South Redford, Southgate, Taylor, Trenton, Van Buren, Wayne-Westland, Westwood, Woodhaven-Brownstown, Wyandotte AND Brighton Area Schools within the Livingston Educational Service Agency.

You/Your/Vendor/Bidder/Contractor – Refers to all recipients of this Request.

Bid/Proposal - Refers to the entire process and includes the request, special provisions, specifications and/or requirements.

### REQUEST CLARIFICATION

Questions regarding this Request should be directed in writing, preferably by e-mail or fax, to the Contact specified on the title page, as soon as possible after you receive the Request. If applicable, answers citing the question(s) asked, but not identifying the questioner, will be distributed simultaneously to all known prospective vendors if deemed relevant by the District. Written requirements in the Request or its amendments are binding, but any oral communications between you and us are not.

Any questions relative to interpretation of the scope of services or the proposal process shall be addressed as indicated below in ample time before the period set for the receipt and opening of proposals.

### TERMS AND CONDITIONS

The District reserves the right to request clarification of information submitted and to request additional information from any or all vendors. All costs associated with the presentation of the proposal and any supplemental information shall be borne solely by the Vendor and shall not be passed on to the District under any circumstances.

### VENDOR RESPONSIBILITY

We expect you to be thoroughly familiar with all specifications and requirements of this Request. Your failure or omission to examine any relevant form, article, site or document will not relieve you from any obligation regarding this Request. If at any time we discover deviations in your reply that are not identified, you may be subject to disqualification from consideration or cancellation of contract.

### GENERAL INSTRUCTIONS

Proposals received after the time and date specified, whether delivered or mailed, will not be considered and will be returned unopened.

The District reserves the right to reject any or all proposals, to waive any informalities, irregularities or technical defects in proposals, and unless otherwise specified by the District to accept any item or groups of items in the proposal, as may be in the best interest of the District.

### PREPARATION OF PROPOSALS

To facilitate proposal preparation, a copy of this proposal in .PDF format may be obtained and downloaded from our website ([www.wash.k12.mi.us](http://www.wash.k12.mi.us)).

If erasures or other changes appear on the proposal forms, each erasure or change must be initialed by the person signing the proposal.

Any documents intended to supplement or deviate from the express requirements of this proposal solicitation may result in a rejection of that proposal.

## **MODIFICATION OR WITHDRAWAL OF PROPOSALS**

A proposal that is in the possession of the District may be altered by letter or fax transmission bearing the signature or name of the person authorized for proposing, provided it is received **prior** to the time and date of opening. A facsimile should not reveal the proposal price but should indicate the addition, subtraction, or other change in the proposal. A change in the pricing must be received via USPS mailing, package/letter delivery service, or hand-delivered.

A proposal that is in the possession of the District may be withdrawn by the Vendor in person or by written request up to the time of the proposal opening. Proposals may not be withdrawn after the proposal opening.

## **PERFORMANCE – FORCE MAJEURE**

Successful vendors shall be excused from performance hereunder during the time and to the extent that vendor is prevented from obtaining, delivering, or performing in the customary manner by acts of God, fire, war, loss or shortage of transportation facilities, lockout or commandeering of raw materials, products, plants, or facilities by the government. Vendor shall provide the District substantiating evidence that non-performance is due to other than fault or negligence on his part.

## **CONFLICT OF INTEREST**

Vendor warrants it has no interest and shall acquire no interest that would directly or indirectly conflict in any manner or degree with the performance of this proposal.

## **GRATUITIES AND KICKBACKS**

It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person a gratuity or an offer of employment in connection with any decisions, approval, disapproval, recommendations, preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a sub vendor under a contract to the prime vendor or higher tier sub vendor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards that may result in civil or criminal sanction.

## **FEDERAL DEBARMENT STATUS**

Expenditures or contracts involving federal funds are subject to Federal Rules and Regulations. Therefore, when expenditures or contracts are to be paid with federal funds, Federal Regulation 7CFR 3017 regarding Federal debarment status will apply.

For further information regarding 7 CRF 3017 Government wide Debarment and Suspension, refer to <http://www.access.gpo.gov/nara/cfr/index.htm1>.

## **INTEGRATION**

All Proposal solicitation documents, Vendor's response to each solicitation, all correspondence and addenda contain the entire understanding between the parties and any additions or modifications hereto may only be made in writing executed by both parties.

## **LAWS TO BE OBSERVED**

The successful Vendor shall keep fully informed on all federal and state laws, all local bylaws, regulations and all orders and decrees of bodies or tribunals having any jurisdiction or authority which in any manner affect those engaged or employed on the work or which in any way affect the ordinances, regulations, orders and decrees in force at the time of award. The successful Vendor shall protect and indemnify the District and

its representatives against any claim or liability arising from or based on the violation of any such law, bylaw, ordinance, regulation, order or decree whether by himself or by his employee(s). No extension of time or additional payment will be made for loss of time or disruption of work caused by any actions against the successful Vendor for any of the above reasons.

The parties expressly agree and understand that the provider is not an employee or agent of the District in any sense, but is a sole independent contractor.

#### **DISCRIMINATION**

The District hereby notifies all Vendors it will affirmatively insure that, in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit Proposals in response to this Request and will not be discriminated against on the grounds of race, color, sex, national origin, or ancestry in consideration of an award. Vendor hereby agrees that should he/she be awarded this contract, Vendor will not discriminate against any person who performs work there under because of race, religion, color, sex, national origin, or ancestry.

#### **IMMIGRATION REFORM AND CONTROL ACT OF 1986**

By submitting their Proposal, Vendors certify they do 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.

#### **SUBSTANCE FREE ENVIRONMENT**

The use of tobacco, drugs, or alcohol is prohibited in all District buildings, vehicles, and on the grounds of all District facilities.

#### **RESOLUTION OF DISPUTES**

Any issues or provisions of the contract in dispute between the district and the Vendor, which, in the judgment of either party to the contract may materially affect the performance of such party, shall be reduced to writing by both parties and delivered to the Chief Financial Officer of each district. The District and the contractor shall promptly, thereafter, negotiate in good faith and use every reasonable effort to resolve such dispute in a mutually satisfactory manner.

#### **GOVERNING LAW**

The laws of the State of Michigan shall govern the validity, construction and effect of this contract and any and all extensions and/or modifications. Michigan law shall govern regardless of any language in any attachment or other document that the Vendor may provide.

#### **SEVERABILITY**

Should any provision of this contract be declared to be invalid by any court of competent jurisdiction, such provisions shall be severed and shall not affect the validity of the remaining provisions of this contract.

#### **INDEMNIFICATION**

The Vendor shall indemnify and save harmless the District, its officers and employees from all suits, actions, or claims of any character brought because of injuries or damage received or sustained by any person, persons, or property; on account of the operations of the said Vendor; or on account of or in consequence of any neglect in safeguarding the work.

#### **TERMINATION**

Subject to the provision below, the contract may be terminated by the District upon thirty (30) days advance written notice to the other party; but if any work or service hereunder is in progress, but not completed as of the date of termination, then this contract may be extended upon written approval of the District until said work or services are completed and accepted.

Termination for Cause: Termination by the District for cause, default, unsatisfactory performance or negligence

on the part of the firm shall be excluded from the foregoing provision; termination costs, if any, shall not apply. The thirty (30) days advance notice requirement is waived in the event of Termination for Cause. The failure of the successful Vendor to comply with the terms and conditions of this proposal will subject this contract to revocation.

Unsatisfactory performance shall be defined as no service, consistent late service or failure to comply with the requirements of this Request for Proposal.

#### **CERTIFICATION AND COMPLIANCE**

The undersigned agrees to furnish the commodity and/or services stipulated in the attached request, at the prices and terms stated, subject to the general conditions outlined and the specific conditions identified.

A signed contract furnished to the successful Vendor results in a binding contract without further action by either party. The contents of your response to this Request for Proposal will become part of the final contract between the parties.

## SPECIFICATIONS

### BACKGROUND

This RFP is being issued by Washtenaw County Intermediate School District (WISD), Wayne County Regional Educational Service Agency (Wayne County RESA) and 38 constituent K-12 public schools in southeast Michigan whose primary mission is to provide a quality education to students. The 40 independent districts have chosen to be included in this joint RFP and will jointly evaluate the responding proposals. Once a Vendor is selected, each district will set up an independent 403(b) district plan or account. The Vendor is not expected to aggregate any data across districts. The sole purpose of the joint RFP is for efficiencies in the RFP process and consistent offerings amongst neighboring districts. None of the districts are under any obligation to set up a 403(b) plan from the results of this RFP.

Below are some current facts about the Districts that might assist you as you prepare your proposal:

- Washtenaw Intermediate School District (WISD) is an intermediate school district under Michigan school law. There are 10 constituent K-12 public schools serving 48,000 students in Kindergarten through 12<sup>th</sup> grade.
- Wayne County Regional Educational Service Agency (Wayne County RESA) is a regional service agency under Michigan school law. There are 34 constituent K-12 public schools serving 332,000 students in Kindergarten through 12<sup>th</sup> grade.
- Brighton Area Schools is a K-12 public school within the Livingston Educational Service Agency.
- The following chart illustrates the current and potential participation levels by District participating in this RFP:

<b>DISTRICT</b>	<b># of District Employees Eligible</b>	<b>2007 # of Participants in 403(b)</b>	<b>2007 \$ Total all Contributions</b>
<b>WISD</b>	<b>192</b>	<b>77</b>	<b>\$578,000</b>
<b>Ann Arbor</b>	<b>2,642</b>	<b>1,145</b>	<b>\$6,836,000</b>
<b>Chelsea</b>	<b>459</b>	<b>162</b>	<b>\$321,000</b>
<b>Dexter</b>	<b>443</b>	<b>180</b>	<b>\$952,000</b>
<b>Lincoln</b>	<b>562</b>	<b>490</b>	<b>\$1,556,000</b>
<b>Manchester</b>	<b>172</b>	<b>76</b>	<b>\$448,000</b>
<b>Saline</b>	<b>622</b>	<b>303</b>	<b>\$1,621,000</b>
<b>Whitmore Lake</b>	<b>190</b>	<b>70</b>	<b>\$389,000</b>
<b>Willow Run</b>	<b>348</b>	<b>157</b>	<b>\$640,000</b>
<b>Ypsilanti</b>	<b>650</b>	<b>277</b>	<b>\$1,412,000</b>
<b>Wayne County RESA</b>	<b>222</b>	<b>138</b>	<b>\$1,026,000</b>
<b>Allen Park</b>	<b>406</b>	<b>195</b>	<b>\$1,284,000</b>
<b>Crestwood</b>	<b>458</b>	<b>187</b>	<b>\$1,060,000</b>
<b>Dearborn</b>	<b>1,379</b>	<b>907</b>	<b>\$11,305,000</b>
<b>Dearborn Hgts No. 7</b>	<b>286</b>	<b>161</b>	<b>\$819,000</b>
<b>Garden City</b>	<b>638</b>	<b>465</b>	<b>\$2,218,000</b>
<b>Gibraltar</b>	<b>441</b>	<b>165</b>	<b>\$744,000</b>
<b>Grosse Ile</b>	<b>225</b>	<b>100</b>	<b>\$583,000</b>
<b>Grosse Pointe</b>	<b>1,159</b>	<b>483</b>	<b>\$3,673,000</b>
<b>Harper Woods</b>	<b>150</b>	<b>55</b>	<b>\$391,000</b>
<b>Huron</b>	<b>282</b>	<b>110</b>	<b>\$382,000</b>
<b>Lincoln Park</b>	<b>649</b>	<b>307</b>	<b>\$2,062,000</b>
<b>Livonia</b>	<b>2,208</b>	<b>1,063</b>	<b>\$6,695,000</b>
<b>Melvindale-No. Allen Park</b>	<b>346</b>	<b>119</b>	<b>\$802,000</b>
<b>Northville</b>	<b>997</b>	<b>408</b>	<b>\$2,383,000</b>

<b>Plymouth-Canton</b>	<b>2,308</b>	<b>735</b>	<b>\$4,712,000</b>
<b>Redford Union</b>	<b>569</b>	<b>186</b>	<b>\$1,265,000</b>
<b>River Rouge</b>	<b>139</b>	<b>79</b>	<b>\$411,000</b>
<b>Riverview</b>	<b>307</b>	<b>116</b>	<b>\$755,000</b>
<b>Romulus</b>	<b>490</b>	<b>216</b>	<b>\$1,011,000</b>
<b>South Redford</b>	<b>405</b>	<b>123</b>	<b>\$759,000</b>
<b>Southgate</b>	<b>699</b>	<b>316</b>	<b>\$1,551,000</b>
<b>Taylor</b>	<b>1,320</b>	<b>618</b>	<b>\$3,579,000</b>
<b>Trenton</b>	<b>396</b>	<b>126</b>	<b>\$712,000</b>
<b>Van Buren</b>	<b>783</b>	<b>225</b>	<b>\$1,243,000</b>
<b>Wayne-Westland</b>	<b>1,815</b>	<b>853</b>	<b>\$5,025,000</b>
<b>Westwood</b>	<b>289</b>	<b>168</b>	<b>\$718,000</b>
<b>Woodhaven-Brownstown</b>	<b>517</b>	<b>288</b>	<b>\$1,659,000</b>
<b>Wyandotte</b>	<b>787</b>	<b>319</b>	<b>\$1,827,000</b>
<b>Brighton Area Schools</b>	<b>800</b>	<b>374</b>	<b>\$2,100,000</b>

If other districts or academies in Washtenaw or Wayne or Livingston elect to set up their 403(b) plan under this type of structure, our intent is to allow them to do so under the same terms and conditions as are agreed to between the parties as a result of this RFP.

## SCOPE

The WISD, Wayne County RESA and its constituent K-12 public school districts are requesting proposals from qualified vendors to furnish a single vendor 403(b) plan under a 403(b)(7) Custodial Account(s) and administration/compliance of the plan for each of its constituent districts in accordance with the scope and specifications detailed in "Specifications/Requirements and Related Responses" beginning on page 12 of this RFP.

Each plan or account will need to be established as (ABC) School District 403(b) Plan, on behalf of the Plan Sponsor, that is a public school district, which is intended to satisfy the requirements of Internal Revenue Code Section 403(b)(7). The effective date of the new 403(b) plan documents will be January 1, 2009. Any agreement or contract resulting from this RFP shall supersede any prior agreements with the School Districts. We are seeking a 403(b) Custodial Plan or Account, that is set up by an approved custodian and limited to regulated investment options under IRC 403(b)(7). Each account must comply with a public employer's tax compliance responsibilities and its legal responsibilities to employees under Michigan state law. We are not seeking a common remitter arrangement or a TPA service; we are looking for a firm who will provide access to regulated investment options, administrative oversight, document retention, and all processes necessary in order to be in compliance with the IRS 403(b) regulations.

Each 403(b) plan would be a non-ERISA voluntary program and will not assume fiduciary responsibility. School district 403(b) plans are not subject to ERISA. Michigan state school code 380.1224 law does not assign fiduciary duties under Michigan state law.

With the new regulatory guidelines for 403(b)s being structured more like 401(k)s, the ideal solution would be a single, unified platform for all 403(b) investments. It is our intent to protect our employees from fee structures that erode plan participant's retirement savings so the 403(b) plan fee structure should be similar to, or better than, those found in the private sector 401(k) plans. The fee structure must be clearly disclosed and no hidden fees or confusing fee structures will be acceptable.

With the ability to invest in products with clear and competitive fee structures and understandable performance, our employees are likely to boost participation in our 403(b) plan. We want the average participant to be well equipped to make informed discerning choices.

To respect and protect the existing retirement assets of our current plan participants from market fluctuations and costs of surrender charges for terminating contracts, we WILL NOT require plan participants to transfer assets from existing contracts into the new 403(b) plan for any contribution prior to 1/1/2009. However, it is possible that once plan participants are in the new 403(b) plan, they will choose to transfer some or all of

their existing 403(b) retirement assets into our new plan. All contributions made by employees after 1/1/2009 will be in the new 403(b) plan.

If a single company does not have the capability to address all of the criteria identified in the specifications, it is acceptable for companies to partner to address the needs identified.

#### **CONTRACT PERIOD**

Retirement assets are based on long term planning and strategies. Therefore, the intent is to provide a 403b plan perpetually with the single vendor, provided the provisions of the agreement continue to be mutually beneficial.

#### **INVOICING AND PAYMENT**

Employee contributions shall be deducted each pay period and forwarded to the Vendor. Some districts have bi-weekly pay periods and some districts have semi-monthly pay periods.

#### **SCHOOL DISTRICT REPRESENTATIVES**

Written questions concerning this proposal package should be directed to the Contact identified on the cover page. The intent of this consolidated proposal is for efficiency in the proposal process. However, each school district will have an independent 403(b) plan, therefore entering into an independent agreement with the Vendor. Each school district will decide independently whether or not to accept and enter into a 403(b) arrangement with the Vendor.

#### **VENDOR REPRESENTATIVE**

The Vendor shall appoint by name a company representative who shall be a responsible, single point of contact, for responding to questions about this proposal and servicing this contract.

#### **RFP TIME LINE**

RFP Issued	April 18, 2008
RFP Due	May 19, 2008, 10:00 AM (EST)
Evaluation Process	May 19-June 30, 2008
Board Action	September 15, 2008
Participant Trainings	November 1-November 30, 2008
Implementation	New 403b Plan begins January 1, 2009

Contractors should be prepared to present their solution to the Districts some time during the "Evaluation Process" time period identified above. While all attempts will be made to present the solution to the districts at a single meeting, this may not be practicable. In no case will the vendor be required to present their solution more than three times during the Evaluation Process.

#### **SUBCONTRACTING ASSIGNMENT**

The successful contractor may not assign this contract or may not subcontract to another party for performance of the terms and conditions hereof without prior written consent of the Chief Financial Officer at each individual district.

#### **PREPARATION OF PROPOSALS**

To facilitate RFP preparation, a copy of this RFP in .PDF format may be obtained and downloaded from our website at this address: [www.wash.k12.mi.us](http://www.wash.k12.mi.us). If you desire the proposal in Word format, send an e-mail request to the named Contact on the cover page.

Proposals are to be prepared simply, providing a straightforward, concise description of the provider's capabilities to satisfy the requirements of this proposal. Emphasis should be on completeness and clarity of content. Repetition of the terms and conditions of this proposal request, without additional explanation, will not be considered sufficiently responsive.

Two (2) originals and five (5) copies of the proposal must be provided. Each proposal shall be bound separately, with the originals clearly marked. The proposal should also be paginated by major section. In addition, we believe it is crucial that each District have a copy of each proposal for retention in their District records. Therefore, an electronic copy should be submitted with the proposal so that this may be forwarded to the individual Districts.

All information must be furnished and then original proposals must be signed by an authorized representative or officer of the proposing company. The copies should include the signature page, but the signature can be a copy of the original.

If erasures or other changes appear on the proposal forms, the person signing the proposal must initial each erasure or change. The proposal number shall appear on any technical data or other information furnished by your firm with this proposal.

Any documents intended to deviate from the express requirements of this proposal solicitation may result in a rejection of that proposal.

## **ADDENDUM/AMENDMENTS**

In the event it becomes necessary to revise any part of this Request for Proposal, an Addendum to this RFP will be provided to each proposer who received the original RFP or has sent an email to the Contact notifying them that they wish to receive any issued addendum or amendment. Proposers shall not rely on any other interpretations, changes or corrections. In addition, any addendum will be posted on the Washtenaw ISD website.

## **ONSITE PRESENTATION**

Each Vendor will be required to provide an onsite demonstration of the solution if the district desires. See "RFP Time Line" section above.

## **PROPOSAL EVALUATION CRITERIA**

The Districts will evaluate proposals and select a proposal based on all of the following information:

- Executive Summary
- Qualifications of Firm
- Reference Checks
- Solution Judged to Best Meet the District's Needs
- Service, Support, Response Time and Training, Upgrades
- Total Ownership Costs
- Oral Presentation, if applicable

While cost is an important factor, it should be understood that the Districts are not under any obligation to accept the lowest cost proposal.

After the evaluation of proposals is completed, the most responsive proposer(s) may be required to make an oral presentation if it is determined that it could benefit the evaluation process. Oral presentations are for the purpose of explaining or clarifying significant elements of the proposal or to view the functionality of the solution on a live basis. If the presentation is to include a viewing of the functionality of the solution, it will be conducted with a fully functional copy of the software and with live or test data. It shall not be a slide show or screen shots of what the contractor deems to be applicable functions. Elaborate marketing presentations could confuse the issues at hand and are not desired. Proposers will be asked to address specific questions prepared by the Evaluation Committee.

The Districts will be the sole judge with respect to the evaluation of proposals. The Evaluation Committee will consist of personnel from several, if not all, districts identified earlier.

## **REQUIRED PROPOSAL SUBMITTALS/PREPARATION**

Vendors must submit two (2) originals and five (5) copies of their proposal. An electronic copy of the proposal must also be submitted.

The written proposal must include the following information:

**Section I: Executive Summary (Limit to one page)**

Provide an executive summary of the Vendor's area(s) of expertise and resource capabilities they believe highlight their firm(s) as superior or unique in addressing the needs of the District.

**Section II: Qualifications of Firm (Limit to two pages)**

The firm name and contact person, together with the address, telephone number, facsimile number and email address of the office from which the services will be provided.

Provide a brief history of the firm(s) to include organization type (i.e., third party administrator, consultant, brokerage, agency, insurance company, etc.) and structure, location of management, and length of time in present business.

Provide a description of the services which the Vendor is capable of providing. Address the reasons and relevant experience you feel qualifies your firm to submit a proposal and why we should use your company to handle our 403(b) plan.

Explain your company's quality control system. If you possess quality certifications, such as an ISO or Baldrige certification, list them.

Describe your policies and procedures in place to protect the confidentiality and privacy of any information your company would possess or that is shared by the plan sponsor and/or the plan participant.

Describe the insurance you carry to provide protection against claims or liabilities. Please include a copy of your certificate of insurance coverage.

**Section III: References**

Include a summary of the number of organizations you are serving in this identical 403(b) custodial single vendor arrangement. Include a list of school district references whose solution would be similar to the one proposed, including name, address and phone number, to whom you have provided this solution and services for at least three (3) years. If no such references exist, this must be clearly stated, and alternative public sector references may then be provided. If no public sector references exist, this must be clearly stated, and alternative private sector references may then be provided.

**Section IV: Response to Specifications/Requirements and General Questions**

This section will consist of completed "Specifications/Requirements and Related Responses" and "General Questions."

**Section V: Model 403(b) Plan**

This section will consist of your proposed "Model 403(b) Plan."

**Section VI: Investment Products**

This section will consist of a list of all mutual funds and investment products from which the plan participants or the plan sponsor can choose. Include share class, fees and expense ratio (including, but not limited to, all management, 12(b)-1, and sub-transfer agent fees), and historical performance data. Also identify if investment product is anything but a net asset value mutual fund (i.e. identify fixed annuity, variable annuity, proprietary mutual fund, or sub advised mutual fund).

**Section VII: Sample Reports**

Include a sample of the participant (employee) statement and other sample plan sponsor (employer) reports.

**Section VIII: Pricing**

The fee structure must be clearly disclosed and no hidden fees or confusing fee structures will be acceptable. Internal fund management fees are understood and may be referenced as such.

In this section, detail the cost and pricing structure. Include costs of plan administration and compliance, investment costs, annual maintenance costs, distribution fees charged for a participant to withdraw assets, broker costs, advice related fees, and other costs of the 403(b) plan. Include

proposed structure to recoup costs including revenue sharing and plan participant charges. Be sure to include the pricing structure knowing that these are independent 403(b) plans, not aggregate, and no aggregation of data is necessary. This RFP highlights the potential business to be gained by your company, however, do not submit pricing assuming that all of districts will choose to participate. A stratified pricing structure based on number of districts or assets under management would be acceptable. The period of time the proposed pricing structure is valid must be stated.

**Section IX: Implementation Time Line and Training Plan**

Discuss in detail your proposed implementation plan and timeline. Discuss participant education during the transition, ongoing participant education, and support available to the district after implementation and whether in person, by phone, or on-line.

**Section X: Signature and Certification**

Include a certification and signature page that indicates that the undersigned agrees to furnish the commodity and/or services stipulated in the attached request, at the prices and terms stated, subject to the general conditions outlined and the specific conditions identified.

**PROPOSAL SUBMISSION**

Please submit your written proposal to:

Washtenaw Intermediate School District  
Attn: Business Office - 403(b) Plan Proposal  
1819 S. Wagner Road  
P.O. Box 1406  
Ann Arbor, MI 48106-1406

To be received no later than May 19, 2008, 10:00 AM (EST). Submittal by fax is not acceptable.

## SPECIFICATIONS/REQUIREMENTS AND RELATED RESPONSES

**IMPORTANT NOTE:** The following specifications were meant to answer questions the districts might have regardless of the structure the eventual 403(b) plan might take. For example, one of the items asks about annuities. The districts are aware that in a 403(b)(7) arrangement, fixed annuity products are not offered. However, if upon evaluation of the proposals, the districts choose to not utilize a 403(b)(7), they would need a response to such an item in their decision-making regarding the final structure of their plan design.

Please circle each specifications with a Y (yes) if proposed system meets specification fully; N (no) if proposed system does not meet specification; W (work-around) if proposed system can meet specification through an alternate method. If companies have partnered to provide a solution, this section is required from each independent company.

Name of firm providing specification \_\_\_\_\_

1	Y N W	Provide each constituent District with a single vendor 403b plan under a 403(b)(7) Custodial Account(s). The Vendor is not expected to aggregate any data across Districts.
2	Y N W	Provide investment options to satisfy the requirements of IRC 403(b)(7).
3	Y N W	Comply with each constituent District's Plan Document; constituent Districts currently plan to use the IRS model 403(b) language, with the exception of the automatic enrollment option for new employees. In addition, most, if not all, of the districts have employer, non-elective contributions.
4	Y N W	Some Districts may choose to write their own Plan Document that may be somewhat different than the IRS model 403(b) language. If so, would you be able to comply with the District's custom Plan Document.
5	Y N W	Accept assignment of responsibilities for administrative function and compliance.
6	Y N W	Offer participants a wide selection of a large number of mutual fund families/investment opportunities via open architecture. (Attach a list of all mutual funds and investment products from which the plan participants or the plan sponsor can choose. Include share class, fees and expense ratio (including, but not limited to, all management, 12(b)-1, and sub-transfer agent fees), and historical performance data. Also identify if investment product is anything but a net asset value mutual fund (i.e. identify fixed annuity, variable annuity, proprietary mutual fund, or sub advised mutual fund) in proposal Section VI: Investment Products)
7	Y N W	Provide net asset value mutual funds (a basket of stocks or bonds where investors can pool their money together with a pre-determined investment objective. The fund has a manager who is responsible for investing or managing these assets.) Include only investment products with NO fees assessed when a fund is purchased (front-end load), at the time of sale (back-end load), redemption fees when a fund is sold before a stated minimum holding period has elapsed, if that holding period is greater than 6 months, market value adjustments or put clauses. (Attach a complete list of all mutual funds available in Section VI: Investment Products)
8	Y N W	While not allowed in a 403(b)(7) Custodial Account, do you have a 403(b) plan that could include investments in Fixed Annuities (a contract between the participant and the insurance company that has an agreed-upon interest rate for a specified timeframe)? (Attach a complete list of all fixed annuities available in Section VI: Investment Products)
9	Y N W	While not allowed in a 403(b)(7) Custodial Account, do you have a 403(b) plan that could include investments in Variable Annuities (contract between the participant and the insurance company that agrees to make periodic payments to begin at some future date. The investments are in "subaccounts" that may be mutual funds. The value of the account fluctuates depending on the performance of the underlying investments.) ? (Attach a complete list of all variable annuities available in Section VI: Investment Products)
10	Y N W	Provide investment products that participants can find on publicly traded exchanges (i.e. look up mutual funds in the newspaper) and whose per share value on the employee statement is equal to the share price that is published.
11	Y N W	Do you agree to exclude all prohibited benefits in your investment products under new regulations (i.e. life insurance and similar incidental benefits).
12	Y N W	Does your platform require us to use any of your proprietary or sub-advised funds?
13	Y N W	Do offer a fixed asset or guaranteed account option that is a retail product?
14	Y N W	Receive elective deferral funds directly from the Employer and invest such funds in accordance with the participants' allocation. Circle options accepted: ACH CHECK WIRE
15	Y N W	Accept EMPLOYER contributions (if provided for in the District's Plan Document) and keep employer contributions separate from employee elective deferrals.

16	Y N W	<p>Employees may need assistance with selecting a portfolio of investments based on their targeted retirement date. There are several ways to achieve this type of assistance. 1) Target date portfolio; 2) Financial advising; 3) Guided portfolio. Questions 16, 17, 18 will provide us with insight as to which one or all you provide.</p> <p>Do you provide a target date asset allocation mix portfolio? This would be an investment product where the fund manager sets the asset allocation mix based on the target retirement date. The fund manager makes the asset allocation decisions and monitors the portfolio to make adjustments and rebalances if needed. As the target day nears, the investment mix gradually becomes more conservative. All investors in the same investment product hold the same mix of investments. There is generally not an extra charge beyond internal fees for electing this option for assistance.</p>
17	Y N W	<p>Provide financial advisory services that assist the plan participant with solid retirement planning. With this service the Vendor provides investment advice to the plan participant. Fees generally are a flat dollar amount charged annually. If there is a charge for advisory services, then the service must be optional and paid for by the individual participant who elects financial advising option. INCLUDED or list rate of cost to participant for such service: _____ (\$) (%) (monthly) (annually)</p>
18	Y N W	<p>Provide Actively Managed Portfolio Services that assist the plan participant with solid retirement investing. With this service the Vendor determines investment allocations for that individual participant and automatically rebalances the portfolio. If there is a charge for guided portfolio services, then the service must be optional and paid for by the individual participant who elects the option. Fees generally are charged annually based on the total dollars of assets under management. INCLUDED or list rate of cost to participant for such service: _____ (\$) (%) (monthly) (annually)</p>
19	Y N W	<p>Assuming a participant wishes to retain an investment advisor or financial planner independently of the above-mentioned advisory options. Is there a way to compensate such an advisor using plan assets?</p>
20	Y N W	<p>Does your company offer investment advisory services to the plan sponsor if the sponsor desires to select a portfolio of mutual funds that would be available to its plan participants? If so, is your firm licensed to perform such services?</p>
21	Y N W	<p>Provide an internet-based secured website, that complies with IRS regulations on use of electronic technologies for providing employee benefit notices and transmitting employee benefit elections and consents, for participant to access their own account information. Vendor to assign and maintain passwords. List software used _____</p>
22	Y N W	<p>If an internet-based secured website is available for participants, will the account valuation/share price information be maintained on a real-time basis? If not, what is the frequency that participant accounts will be valued and updated?</p>
23	Y N W	<p>Provide an internet-based secured website for participant to enroll in the plan, research funds, make changes in their own account information, make changes to their own deferral amounts, and make changes to their investment selections. Vendor needs to notify plan sponsor (employer) of requested deferral amounts for payroll processing.</p>
24	Y N W	<p>Provide telephone access to representatives for customer service.</p>
25	Y N W	<p>Provide participant statements directly to participant minimum quarterly. (Attach sample of participant statement in proposal Section VII: Sample Reports.)</p>
26	Y N W	<p>If selected in this process, provide employee training in each district on the conversion to this new 403(b) structure.</p>
27	Y N W	<p>Provide ongoing communication and education for participant benefit.</p>
28	Y N W	<p>Transfers and exchanges will be limited to transfers to a state retirement system to purchase defined benefit plan service credits. Can you provide these transfers compliant with the regulations? Because this will be a single vendor plan, transfers to contracts issued by any vendor other than the approved single vendor will not occur.</p>
29	Y N W	<p>Plan participants prior to 1/1/2009 will not be required to transfer assets from existing school district 403(b) contracts into the new school district 403(b) plan. However, will your plan accept incoming transfers from existing 403(b) contracts for those employees choosing to do so? Once you accept transfers, then you will be responsible for reporting and compliance of those assets.</p>
30	Y N W	<p>Does your plan accept rollovers from other 403(b), 457, 401(k) etc. plans and if so are incoming rollovers separately accounted for to the extent required by the regulations?</p>

31	Y N W	Funds cannot be distributed until: 1) separation from service; 2) age 59-1/2; 3) disability; 4) financial hardship (salary reduction contributions only); 5) death. Can you provide these distributions compliant with the regulations?
32	Y N W	After qualifying event, plan participants have the option of taking a distribution or rolling over plan assets. Can you provide assistance to our plan participants to complete a roll over to 1) another 403(b) plan; 2) 457(b) governmental plan; 3) IRA; 4) 401(a) plan?
33	Y N W	Approve and monitor loan requests. Vendor needs to notify plan sponsor (employer) of approved loan transactions.
34	Y N W	Approve and monitor hardship distribution withdrawals. Vendor needs to notify plan sponsor (employer) of hardship distribution to facilitate cessation of deferrals for a period of six months.
35	Y N W	Do you plan to use the IRS safe harbor rules for determining eligibility for a hardship distribution?
36	Y N W	Notify and complete minimum required distributions (at 70-1/2) as required by Section 401(a)(9) of the Internal Revenue Code.
37	Y N W	Notify and complete required minimum distributions to beneficiaries.
38	Y N W	Provide participant contribution limits, including the age 50 catch-up contribution under section 414(v) and the special section 402(g) catch-up contribution for employees with at least 15 years of service, to both the participants and the employer.
39	Y N W	Monitor contribution limits under the Plan under IRC Sections 402(g), 402(g)(7), 414(v), and 415(c) as applicable to the Plan. The 415(c) limit should be monitored for total employee and employer contributions.
40	Y N W	If contributions are made in excess of contribution limits, will your organization correct the excess in accordance with the requirements of the regulations and notify the employee and Employer as appropriate?
41	Y N W	Provide annual plan-level reports at the employer group level. (Attach sample of reports in proposal Section VII: Sample Reports.) Will the plan sponsor have access to an online application to monitor activity within the plan?
42	Y N W	Provide annual comprehensive plan wide reports, by participant, including contributions, annual contribution limits, loans made during the year, outstanding loan balances as of December 31, hardship distribution made during the year, and minimum required distributions. (Attach sample of reports in proposal Section VII: Sample Reports.)
43	Y N W	Complete and file tax reporting forms regarding the plan participants (i.e. 1099-R and others).
44	Y N W	Complete informational tax reporting forms regarding the plan that are required by law.
45	Y N W	Respond to an audit request from the IRS or U.S. Department of Labor that specifies the exact information needed.
46	Y N W	You will not be required to administer plan assets prior to 1/1/2009. However, Districts fully intend to administer previous plan assets with good faith compliance. Will you cooperate with districts especially with respect to coordination of prior asset data to ensure the withdrawals and loans in the aggregate do not violate applicable regulations?
47	Y N W	Will you disclose and refund to the plan 100% of all revenue including revenue sharing of all management fees, 12(b)-1, sub-ta, and any other fees by any other name?
48	Y N W	While not a part of this RFP, do you offer a similar solution for a 457 plan?
49		<b>Other pertinent information:</b> The plan will NOT include after-tax participant salary deferrals (Roth 403(b)). The plan will NOT include any non-vested contributions.

## **GENERAL QUESTIONS**

A. We firmly believe that retirement assets are based on long term planning and strategies. Therefore, the intent is to provide a 403b plan perpetually with the single Vendor selected during this RFP process. However, relationships sometimes just don't work out. Please describe the process if a particular District chooses to terminate the arrangement. Most important is whether the plan participant assets would be sold and transferred to the new Vendor, or transferred in some other manner. Can you do in-kind transfer of assets?

B. If your company offers both sponsor-level investment advisory as well as the compliance and administrative aspects of a 403(b) plan, and the plan sponsor were to decide to switch investment advisors, would such a separation in your services be possible? Would the related fees be reduced to reflect the change in services?

C. Each 403(b) plan would be a non-ERISA voluntary program and will not assume fiduciary responsibility. School district 403(b) plans are not subject to ERISA. Michigan state school code 380.1224 law does not assign fiduciary duties under Michigan state law. However, if your firm accepts fiduciary responsibility under some other section of the law, please describe.

D. What methods does your company utilize to ensure that customer needs are being met at an acceptable rate?

E. Describe your records retention policy for 403(b) plan data.

## **MODEL 403(B) PLAN**

During the process we used to develop this request for proposal, we began to form a vision for what our new 403(b) plan might look like. The vision was very different from the traditional 403(b) plans that currently exist in public schools in Michigan.

The essence of what we believe to be in the best interest of our Districts' plan participants is that the ideal 403(b) plan should be a single vendor model that (1) operates solely in the interest of plan participants and their beneficiaries for the exclusive purpose of providing them with retirement plan benefits, (2) has transparent costs, each of which is reasonable versus the service provided in return, and (3) features broadly diversified investment options designed, within a portfolio context, to reduce risk and increase return. Our beliefs were developed from what we believed to be right and affirmed by a series of articles "Fiduciary Focus: Fleecing 403(b) Plan Participants (Parts 1-7)" by W. Scott Simon (Morningstar Advisor Edition, 4-5-07 thru 11-11-1-07). These articles will give you a real sense of our vision.

This is your opportunity to describe in words and/or pictures exactly how your company's proposed solution for our 40 public school districts' 403(b) plans would work. Costs associated with any part of the plan should be disclosed here.