

Board of Trustees Agenda Item

Board Meeting Date: 6/18/12

Title of Item: 457(b) Deferred Compensation Plan Provider

Background and Analysis:

At the present time, the District offers two deferred compensation plans under Internal Revenue Code Section 457(b). The first plan is administered by Valic; the second plan is administered by Tax Deferred Solutions (TDS). In the normal course of reviewing our 457(b) plans, the District opted to review 457(b) vendor plans that offer multiple investment options to compare with the 457(b) plan as offered by TDS. As a result, on January 19, 2012, the District issued Request for Proposal (RFP) Number 1464 for 457(b) Deferred Compensation Plan Provider Services, which included three subsequent amendments all of which are attached.

Proposals were due in to the office of the Vice Chancellor of Business Services on March 2, 2012. A District 457(b) Review Committee, comprised of the Vice Chancellor of Business Services, Vice Chancellor of Human Resources, Vice Presidents of Finance from each of the two colleges, Controller, Payroll Supervisor, and representatives from each of the collective bargaining units, reviewed the six proposals that were received and interviewed the six vendors.

Based on the results of the interviews, the District 457(b) Review Committee selected the 457(b) Deferred Compensation Plan that was presented by the Employee Benefits Services Group. The District 457(b) Review Committee forwards it's recommendation to the Board of Trustees for approval of the 457(b) Deferred Compensation Plan, as presented by the Employee Benefits Services Group, and for authorization for the Vice Chancellor of Business Services to negotiate and enter into a contract to deliver the plan.

Recommendation: Vice Chancellor of Business Services Kevin McElroy recommends that the Board approve the selection of the Employee Benefits Services Group 457(b) plan to replace the 457(b) plan currently offered by TDS and for the Vice Chancellor of Business Services to negotiate and enter into a contract with the Employee Benefits Services Group.

Submitted by:	Kevin McElroy x6201
Additional contact names:	Hector Quinonez x6250
Is backup provided?	Yes

Foothill-De Anza Community College District

Request for Proposal No. 1464 For 457(b) Deferred Compensation Plan Provider Services

Foothill-De Anza Community College District (District) is initiating a process for the selection of a plan provider for one of the two District 457(b) programs, in compliance with rules and regulations issued by the Internal Revenue Service (IRS). As part of this process, we are requesting written responses to Request For Proposal (RFP) No. 1464.

The District's intent is to enter into a three-year contract. At the end of the three-year term, the contract may be renewed annually, upon written mutual agreement of both parties.

Notwithstanding other provisions of this RFP, interested vendors are hereby advised that this RFP is an informal solicitation of proposals only. It is not intended, nor is it to be construed, as engaging in formal competitive bidding pursuant to any statute, ordinance, policy or regulation.

Proposals must be received in the office of the Vice Chancellor of Business Services at the following address:

Kevin McElroy, Vice Chancellor of Business Services
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos Hills, CA 94022

Proposals are due by 4:00 p.m. on March 2, 2012.

Late proposals will be rejected. It is the responsibility of the submitting firm to make sure the proposal is delivered to the specified location by the date and time specified above.

Proposals must be sealed with the envelopes clearly marked in the lower left hand corner "Sealed Proposal For 457(b) Deferred Compensation Plan Provider Services."

Emailed or faxed proposals are not acceptable.

Complete, sign, and return the original and five (5) copies.

Please e-mail all questions regarding this proposal to Hector Quinonez, Controller at quinonezhector@fhda.edu, with a copy to mcelroykevin@fhda.edu, by February 27, 2012. Include in the "Subject" header of the e-mail, "457(b) Deferred Compensation Plan Provider Services, RFP No. 1464."

This RFP does not commit the district to award a contract or to pay any costs incurred in the preparation of any proposal responsive to this request. The District reserves the right to accept all or part of any proposal or to cancel in part or in its entirety this RFP. The

District further reserves the right to accept the proposal that it considers to be in the best interest of the District. While price is a consideration, the District reserves the right to award a contract on the basis of its overall evaluation.

It is the policy of the District that no person or firm shall be excluded from participation in, denied the benefits of, or otherwise be discriminated against in the award and performance of any District contract on the grounds of race, ethnicity, creed, religion, color, national origin, age, sex, or sexual orientation.

1. District Background Information

Foothill-De Anza Community College District is a political subdivision of the State of California. The District's operations consist principally of providing educational services to the local residents of the District. The District is classified as a governmental instrumentality under Internal Revenue Code Section 115 and as a charitable organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from Federal taxes.

The District is a multi-college district with approximately 34,000 Full Time Equivalent Students. It is comprised of two colleges, Foothill College and De Anza College, operating at the following main campus locations:

<u>College</u>	<u>Location</u>
Foothill College	12345 El Monte Road Los Altos Hills, CA 94022
De Anza College	21250 Stevens Creek Blvd. Cupertino, CA 95014

<u>Employee Groups</u>	<u>Number</u>
Faculty (full-time)	548
Faculty (part-time)	1135
Administrators	91
Classified Staff	629
Hourly (temps & students)	1924

Currently, approximately 540 employees are enrolled in 403(b) and Roth 403(b) plans, and 130 employees are enrolled in 457(b) plans.

Administrative Payroll System: Sungard Banner Human Resource System.

The District is fiscally independent. The general fund operating budget for fiscal year 2011-12 is \$ 220 million. Total district assets at June 30, 2011 for all funds were \$ 890 million.

2. Information and General Conditions

2.1 Definitions

The term District as used in these terms shall be construed to include the Foothill-De Anza Community College District and all employees, officers, and agents of the Foothill-De Anza Community College District.

The term firm as used in these clauses shall be construed to include the professional services firm that will administer one of the two District 457(b) Deferred Compensation Plans and all employees, officers, and agents of said professional services firm.

2.2 Signature

The proposal must be signed in the name of the firm and must bear the signature of the person authorized to sign proposals on behalf of the firm.

2.3 Award of Contract

If the contract is awarded, it will be to the responsible firm whose proposal is deemed by the District to be the best proposal and whose proposal best meets the needs of the District. Written notification will be made to unsuccessful firms.

Following the selection of the apparent successful firm, the District will enter into negotiations regarding provisions of the Agreement. If a satisfactory contract cannot be negotiated, the District may, in its sole discretion, begin contract negotiations with another firm and terminate negotiations with the originally selected firm.

2.4 Compensation and Additional Services

If additional services are required and authorized by the Vice Chancellor of Business Services, other than those included in the original Agreement, the Agreement will be amended to reflect the additional services, including any additional agreed-upon compensation for such services.

2.5 Assignment of Contract

Any disputes shall be resolved through binding arbitration pursuant to California Code of Civil Procedure section 1280 et seq., with non-prevailing party to pay the arbitrator's fees, but with each side otherwise to bear its own costs and fees.

3. Statement of Work

3.1 Scope of Services

The firm selected pursuant to this RFP will be expected to provide the necessary 457(b) plan administrative services in order to ensure that the District is in compliance with all pertinent IRS rules and regulations. The services will include, at a minimum, the following:

- a) Serve as a plan provider for one of the two District 457(b) deferred compensation plans;
- b) Perform an annual review of the 457(b) plan activity and performance;
- c) Perform the required compliance monitoring to ensure that the 457(b) plan meets all required federal and state reporting requirements; and

- d) Provide representation before the Internal Revenue Service and the State of California Franchise Tax Board regarding any claims related to the administration of the District's 457(b) deferred compensation plan.

3.2 Firm Profile

- 3.2.1 Describe the ownership structure and primary business of your organization, including all subsidiaries. (If the vendor is an insurance company or an issuer of debt, provide Moody's, Standard & Poor's, or Fitch ratings)
- 3.2.2 Provide a brief history of your firm. Describe your overall corporate philosophy and the unique services and features you offer to community colleges, universities, K-12, and other public-sector agencies.
- 3.2.3 Provide a listing of the 457(b) investment products that your firm offers.
- 3.2.4 Describe any enhancements you plan to implement during the next 12 months and the value it will add to your service.
- 3.2.5 What has been the scope and length of your experience with community colleges, universities, K-12, and other public sector 457(b) programs?
- 3.2.6 What portion of your total operation is devoted to public employer tax deferred programs, how many employers do you serve, and what is the number of participants?
- 3.2.7 How many community college, university, K-12, or other public-sector defined contribution and deferred compensation plans do you currently administer? Identify if you are an exclusive or secondary administrator.
- 3.2.8 Will a dedicated relationship manager be assigned to our program? If so, please include the manager's functional role and responsibilities, retirement savings plan administration experience, tenure with the firm, job title and biography and/or resume outlining experience and credentials.
- 3.2.9 How many other clients will that person be responsible for?
- 3.2.10 Will the District's program be assigned to an account team? If so, please describe and include the following:
 - a) Functional roles and responsibilities;
 - b) Average retirement savings plan administration experience;
 - c) Average tenure with your firm;
 - d) Average turnover rate; and
 - e) Job titles and biographies and/or resumes outlining experience and credentials.
- 3.2.11 Please provide your firm's most recent annual report/statement of financial condition and copies of required investment applications, specimen contracts, and administrative agreements.

3.2.11 Describe your Fidelity Bond and Errors & Omissions Coverage.

3.3 Administration/Recordkeeping

3.3.1 Describe the type of recordkeeping system used by your organization.

3.3.2 Identify the software used to perform participant recordkeeping with particular reference to your ability to control and audit employee contributions, and to ensure timeliness, accuracy, and confidentiality of records. Please detail each step of the contribution process.

3.3.3 In what form may contributions and salary reduction information be delivered from the employer to the plan provider?

3.3.4 Describe content provided at your site that is relevant specifically to the employer.

3.3.5 What transaction and informational features do you offer to employers?

3.3.6 Describe your company's backup emergency and disaster recovery system. How often are these systems tested?

3.3.7 How do you control access to your system?

3.3.8 What checks and balances do you have in place to ensure transactional integrity?

3.3.9 Describe how data is secured through the system.

3.3.10 Describe the quality control procedures you have in place.

3.3.11 What types of reconciliation and editing do you perform?

3.3.12 How do you resolve data discrepancies?

3.3.13 Can you accommodate retroactive reductions to participant's accounts due to administrative error? Describe such capabilities in a daily environment.

3.3.14 What statements do you provide employers?

3.3.15 What educational materials do you provide that help employers to maintain plan compliance?

3.3.16 Describe the services you offer that will help keep the plan in compliance with current and proposed regulations.

3.3.17 What evidence can you supply that an independent auditor has audited your recordkeeping systems and administrative procedures?

3.3.18 Discuss the training program you will provide as part of the implementation.

3.4 Participant Services

- 3.4.1 Describe your Internet strategy.
- 3.4.2 What is the URL for your web site?
- 3.4.3 What transaction and informational features do you offer to public employees?
- 3.4.4 Describe content provided at your site that is relevant specifically to our plan and our employees.

3.5 Communications and Education

- 3.5.1 Describe your corporate commitment to educating employees and providing timely service regarding questions and activities related to 457 plans.
- 3.5.2 How do you keep your clients abreast of changing legislative issues?
- 3.5.3 How are participant complaints and irregularities handled?

4. Proposal Response Requirements

Proposals shall include in the following order:

- 4.1 All Addendums
The most recent Addendum shall be on top of the Proposal.
- 4.2 Title Page
Indicate "Foothill-De Anza Community College District, For 457(b) Deferred Compensation Plan Provider Services," the name of the firm, local address, the name of the firm's contact person for the purposes of this RFP, the telephone number of the contact person, and the date.
- 4.3 Table of Contents
Include a clear identification of the material included in the firm's response by section and by page number.
- 4.4 Letter of Transmittal
Summarize your understanding of the work to be performed and explain why you believe your firm is best qualified to serve as the 457(b) deferred compensation plan provider. Indicate the names of the persons who will be authorized to make representations on the part of the firm including their titles and telephone numbers. The person authorized to execute the contract on the part of the firm must sign the transmittal letter.
- 4.5 Conflict of Interest

- 4.5.1 Disclose any personal or business relationship your firm has with the District, or with any of the Board Members or officers of the District.
- 4.5.2 Describe any regulatory censure or litigation involving the business of your firm with relation to its 403(b), Roth 403(b), 457(b), and deferred compensation or defined contribution services in the past five years.

4.6 References

- 4.6.1 Provide a list of three community college, university, K-12, or other public-sector clients for whom the firm has provided 457(b) plan administrative services in California in the past 3 years. Indicate the scope of the work performed for each of the referenced clients. Include the name of the client, address, telephone, and name of each client's primary contact person.
- 4.6.2 As samples, provide copies of 457(b) deferred compensation plan documents prepared in the most recent two years, preferably plan documents prepared for community college districts, universities, and K-12.
- 4.6.3 If available, provide samples of written feedback you've received from participants in plans that you administer.

4.7 Cost of Services

- 4.7.2 Describe your philosophy on fees and expenses.
- 4.7.3 Identify all fees for plan document preparation, including any fees to maintain, update, and/or ensure compliance of such document.
- 4.7.4 Identify all participant and fixed-dollar service fees, including, but not limited to contribution, loans, and withdrawals. Based on typical plan experience, what would the average participant likely pay annually in fixed-dollar fees (provide supporting documentation)?
- 4.7.5 Demonstrate your commitment to decreasing fees and expenses.
- 4.7.6 Identify tiered pricing structure (if any).
- 4.7.7 Identify all other fees, costs, or expenses not identified above.

4.8 Additional Information

The preceding sections shall contain only the information requested. If the firm desires to present additional information, such additional information shall be presented in this section of the RFP. If there is no additional information present, indicate, "There is no additional information to present."

5. Evaluation and Award of Proposals

5.1 Evaluation Criteria

Evaluation criteria will include but not be limited to the experience of the firm in administering 403(b), Roth 403(b), and 457(b) plans for community colleges, universities, K-12, and other public sector entities, the experience of the manager who will be responsible for the plan administration, the professional staff available to perform the service, the qualifications of the firm, the cost to perform the service, the availability of the firm to perform the work within the required implementation period, and any other criteria the District feels is appropriate.

5.2 Award Process

The steps in the award process are as follows:

- a. The District will mail out the Request for Proposal (RFP) on January 19, 2012.
- b. The proposals are due in to the office of the Vice Chancellor of Business Services by 4:00 p.m. on Friday, March 2, 2012.
- c. A District 457(b) Review Committee, comprised of the Vice Chancellor of Business Services, Vice Chancellor of Human Resources, Vice Presidents of Finance from each of the two colleges, Controller, Payroll Supervisor, and representatives from each of the bargaining units, will screen the proposals by April 6, 2012, based on the evaluation criteria stated above in section 5.1, and will select the finalists.
- d. The District 457(b) Review Committee will interview the finalists on or before May 4, 2012 and make the final selection.
- e. The recommendation of the District 457(b) Review Committee will be presented to the Board of Trustees for approval at the June 4, 2012 Board meeting.

**AMENDMENT NUMBER 1 TO RFP #1464
457(b) Deferred Compensation Plan Provider Services**

Amendment Date: **January 31, 2012**

A. This Amendment shall be considered part of the RFP documents for the above-mentioned project as though it had been issued at the same time and shall be incorporated integrally therewith. Where provisions of the following supplementary data differ from those of the original RFP documents, this Amendment shall govern and take precedence.

B. Proposers are hereby notified that they shall make any necessary adjustments in their estimates as a result of this Amendment. It will be construed that each bidder's proposal is submitted with full knowledge of all modifications and supplemental data specified herein.

The RFP documents are modified and clarified, as follows:

I. The deadline for questions is no later than February 21, 2012 at 5:00 p.m.
The deadline has been moved to earlier than the original February 27, 2012 date to allow time for the District to answer questions and distribute the amendment to bidders. Amendments will be e-mailed, faxed, or sent by postal mail service to all the interested bidders.

II. The due date for proposals remains the same, March 2, 2012 by 4:00 p.m.

**BIDDER MUST ACKNOWLEDGE THIS AMENDMENT BY SIGNING
BELOW AND ATTACHING THE SIGNED AMENDMENT TO THE RFP
FORM:**

Company Name _____

Contact Person _____

Signature _____

Date _____

Carmen Redmond, C.P.M.
Foothill De Anza CCD, Purchasing Services Director

**AMENDMENT NUMBER 2 TO RFP #1464
457(b) Deferred Compensation Plan Provider Services**

Amendment Date: **February 24, 2012**

A. This Amendment shall be considered part of the RFP documents for the above-mentioned project as though it had been issued at the same time and shall be incorporated integrally therewith. Where provisions of the following supplementary data differ from those of the original RFP documents, this Amendment shall govern and take precedence.

B. Proposers are hereby notified that they shall make any necessary adjustments in their estimates as a result of this Amendment. It will be construed that each bidder's proposal is submitted with full knowledge of all modifications and supplemental data specified herein.

I. Questions and Answers.

1. Question

What are the total assets held in total by the 130 employees enrolled in the 457 (b) Plan?

Answer

The total assets held by the two 457(b) plans are approximately \$ 15,000,000.

2. Question

Do you have a single provider for the plan today, or are you in a multiple provider environment?

Answer

We currently have two providers of the 457(b) plan, Valic and Tax Deferred Solutions. The District plans to maintain a maximum of two plan providers, and Valic will remain as one of the plan providers.

3. Question

Are these assets transferable to a new provider or would this be a start up program with a new provider?

Answer

The assets are transferable only if the individual employees wish to transfer funds from their current 457(b) plan to the new 457(b) plan. Overall, this would be a start up program.

4. Question

What are the total assets held by the 540 employees enrolled in the 403(b) and Roth 403(b) plans.

Answer

We do not have the information on the total assets held by our employees in the 403(b) or Roth 403(b) plans.

5. **Question**

Similarly, for the 403(b) and Roth 403(b) plans, do you have a single provider for the plan today, or are you in a multiple provider environment?

Answer

We have one third-party administrator, but multiple providers, for the 403(b) and Roth 403(b) plans.

6. **Question**

If you do not have these total assets available, do you have a feel for the total annual contribution amounts and average contributions by employee for the 457(b) and the two 403(b) plans?

Answer

The total contribution amounts in 2011 for the Roth 403(b) plan were \$125.8K, \$4,217.4K for the 403(b) plan, and \$1,067.4K for the 457(b) plan. The average annual contribution in 2011, per employee, for the Roth 403(b) plan was \$5.4K, for the 403(b) plan 8.6K, and for the 457(b) plan \$8.4K.

7. **Question**

How long have the plans been in existence and what is the average tenure of your participating employees (which would allow us to estimate the plan size by multiplying the average participant annual contribution by the average number of years they have been participating in the plans).

Answer

The District has offered a 403(b) program for over 20 years. However, the current structure of the 403(b) plan has been in existence since 2005. The Roth 403(b) plan has been in existence since 2007. The 457(b) plan has been in existence since 2004. The average tenure for the Roth 403(b) plan is 3 years, 4 years for the 403(b) plan, and 5 years for the 457(b) plan.

8. **Question**

Is this or is it intended that the 457(b) Plan be a group contract?

Answer

Yes, the intent is that the respondent will provide a portfolio that contains a number of plan options that an employee can choose from.

9. **Question**

How many expected participants; are they going to be converted from the previous plan?

Answer

The current 457(b) plan for which we are soliciting proposals has approximately 70 participants that contribute \$58,000 per month. The participants will not be required to convert to the new plan; however, they will have the option to roll over their funds from the previous 457(b) plan to the new 457(b) plan if they choose to do so. Once the new 457(b) plan is established, we will not process

further payroll contributions to the previous 457(b) plan.

10. **Question**

What is the total of plan assets for this particular plan?

Answer

Total plan assets for this particular plan, as of the latest figure available, are in excess of \$3,000,000.

11. **Question**

How many employees are eligible to participate in the 457 plan? The RFP mentions two 457 plans. Can employees choose which plan to participate in or contribute to both?

Answer

All 1,268 full-time employees and 1,135 part-time faculty are eligible to participate in the 457 plan. We currently have two 457 plans. One is with Valic and the other is with Tax Deferred Solutions. Employees may choose to contribute to one or to both of the 457(b) plans.

12. **Question**

Who is the current vendor(s) for the 457 plan?

Answer

The 457(b) plan for which we have issued RFP No. 1464 is the 457(b) vendor plan currently with Tax Deferred Solutions.

13. **Question**

Is Foothill-De Anza Community College District seeking an exclusive vendor arrangement going forward for this 457 plan?

Answer

Yes, we are seeking an exclusive vendor arrangement for this one 457(b) plan that we have issued this RFP for.

14. **Question**

With respect to the 457 plan, does the District have the ability to direct the transfer of assets to a new vendor and will the assets be mappable on Day 1? Are there any restrictions on these assets?

Answer

We will not be automatically transferring assets from the current 457(b) plan to the new 457(b) plan. Individual employees would need to request a rollover from one 457(b) plan to the other in order to transfer any assets. Once the new 457(b) plan is established, we will not process further payroll contributions to the previous 457(b) plan.

15. **Question**

Please provide the number of participants currently contributing to the 457 plan and the total annual contributions to the plan.

Answer

This question has been answered in question numbers 1, 9 and 10, above.

16. **Question**

Please provide the total assets, by investment option, in the 457 plan.

Answer

A response to this question is not readily available. See the response to questions number 1 and 9 for total plan assets.

17. **Question**

What administration services is the District looking for the new provider to perform?

Answer

We are looking for third-party administration of this one 457(b) plan for which we have issued the RFP.

BIDDER MUST ACKNOWLEDGE THIS AMENDMENT BY SIGNING BELOW AND ATTACHING THE SIGNED AMENDMENT TO THE RFP FORM:

Company Name _____

Contact Person _____

Signature _____

Date _____

Carmen Redmond, C.P.M.
Foothill De Anza CCD, Purchasing Services Director

**AMENDMENT NUMBER 3 TO RFP #1464
457(b) Deferred Compensation Plan Provider Services**

Amendment Date: **February 29, 2012**

A. This Amendment shall be considered part of the RFP documents for the above-mentioned project as though it had been issued at the same time and shall be incorporated integrally therewith. Where provisions of the following supplementary data differ from those of the original RFP documents, this Amendment shall govern and take precedence.

B. Proposers are hereby notified that they shall make any necessary adjustments in their estimates as a result of this Amendment. It will be construed that each bidder's proposal is submitted with full knowledge of all modifications and supplemental data specified herein.

I. New Due Date.

The new deadline to submit proposals is March 9, 2012 by 4:00 p.m.

II. Questions and Answers.

1. Question

Is there a current compliance administrator, and if so, who?

Answer

Valic is the third-party administrator of our 403(b) plan. Valic also helps us administer the 457(b) plans by monitoring total contribution limits for the 403(b) and 457(b) plans.

2. Question

What role will the current 403(b) compliance administrator/district have in coordination of deferral and loan data?

Answer

We currently do not allow loans in the 457(b) plans, but we are evaluating this decision. Deferral and loan data will be coordinated through our 403(b) third-party administrator. However, loans, if subsequently implemented in the 457(b) program, will be administered by each of the two 457(b) plan providers.

3. Question

What method of data sharing is required between parties?

Answer

The District uses the Valic Retirement Manager software program, which requires use of an information sharing agreement.

4. Question

How will the district coordinate plan documents for both 457 plans?

Answer

The District will bring the two 457(b) plan providers together and agree on one coordinated 457(b) plan document.

5. Question

Is the district considering freezing the current 457 plan and going to a sole provider now or in the future?

Answer

The District will stop accepting payroll deductions to the current 457(b) plan for which we have issued this RFP. Employees will have the option to keep their funds in the current plan or roll the funds over into the newly selected 457(b) plan. The District will continue to offer two 457(b) plans and is not looking to move to a sole 457(b) plan provider.

6. Question

Is the district currently employing a consultant with respect to the construction and/or review of the 457 Plan Provider RFP, and if so, who?

Answer

No, the District is not employing a consultant to construct or review the 457 plan provider RFP.

7. Question

Please provide the demographic information for the plan that would transfer to the new vendor, i.e. assets, participants, annual flow, etc.

Answer

The current 457(b) plan for which we are soliciting proposals has over \$3,000,000 in assets and approximately 70 participants that contribute \$58,000 per month.

8. Question

Would the assets move to the new provider at the employer's direction? If so, are there any applicable encumbrances, i.e. MVA or surrender charges?

Answer

No, the assets will not move to the new provider at the employer's direction?

9. **Question**

Please provide the fund line, tickers and asset breakdown for the current 457(b) plan that would transfer to the new provider, if one is selected.

Answer

Not applicable, since the current plan assets will not transfer to the new provider.

BIDDER MUST ACKNOWLEDGE THIS AMENDMENT BY SIGNING BELOW AND ATTACHING THE SIGNED AMENDMENT TO THE RFP FORM:

Company Name _____

Contact Person _____

Signature _____

Date _____

Carmen Redmond, C.P.M.
Foothill De Anza CCD, Purchasing Services Director

***Proposal Response
Request for Proposal No. 1464***

**Foothill-De Anza Community College District,
for 457(b) Deferred Compensation Plan Provider Services**

Submitted on March 2, 2012



EmployeeBenefitsServices
Group

Proposal Contact Info:

Rene "Rocky" Rocamora, CEO
2542 S. Bascom Avenue, Suite 100
Campbell, CA 95008
Phone: (408) 978-1000
Fax: (408) 371-9364
rocky@ebenefitservices.net
www.eBenefitsServices.net

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LETTER OF TRANSMITTAL (SECTION 4.4)

March 1, 2012

Kevin McElroy, Vice Chancellor of Business Services
Foothill-De Anza Community College District
12345 El Monte Road
Los Altos Hills, CA 94022

Re: Request for Proposal No. 1464; For 457(b) Deferred Compensation Plan Provider Services

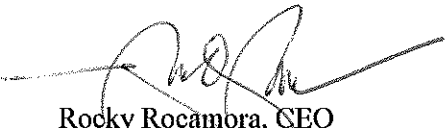
Dear Mr. McElroy,

Thank you for the opportunity to submit our proposal to administer one of the two 457(b) Deferred Compensation Plans in place for Foothill-De Anza Community College District (District). This proposal is submitted by Employee Benefits Services Group (EBSG), Northern California's leading financial and retirement planning services firm focused on K-12 public schools, community colleges, local governmental entities, and non-profit organizations since 1989.

I believe this proposal addresses all the questions and requirements set forth in District's Request for Proposal (RFP) No. 1464. I acknowledge that this proposal conforms to all contractual terms and conditions stated in the RFP, including all attachments. I am authorized to make the commitments stated in this proposal, including financial, on behalf of EBSG. I have not participated nor will I participate in any action contrary to the RFP.

This proposal shall remain valid for three months after receipt. Please do not hesitate to contact us with any questions or for any follow-up information. Thank you for your consideration.

Sincerely,



Rocky Rocamora, CEO
Employee Benefits Services Group
Direct: 408.978.1000 x115
rocky@eBenefitsServices.net
2542 S. Bascom Avenue, Suite 100, Campbell, CA 95008
Phone: (408) 978-1000 Fax: (408) 371-9327
www.eBenefitsServices.net

Executive Summary

ABOUT US

Employee Benefits Services Group (EBSG) is a member and subsidiary of U.S. Retirement Partners, the nation's largest independent K-12 retirement services firm with over 350,000 clients. EBSG is Northern California's leading financial and retirement planning services firm focused on K-12 public schools, community colleges, local governmental entities, and non-profit organizations. Since 1989, EBSG has provided asset protection and growth solutions for thousands of employees in education and non-profit sectors through quality, licensed and Registered Representatives specializing in 403(b) and 457(b) plans. EBSG wholly owns and manages an independent, Silicon Valley-based, Third Party Administrator (TPA), Employee Benefits & Advisors, Inc. (EBSA). EBSA was established in 2008 in response to a need by Santa Clara County Office of Education (SCCOE) for a quality, service-oriented TPA solution.

CUSTOMER CARE:

Our client-centric philosophy guides every aspect of our organization. To us, 'customer care' defines who we are and why we do what we do. Our goal is to provide our services to employers and their employees with sincere care and understanding. To that end we assign each plan sponsor a dedicated team of plan educators to address every aspect of their plan needs. Each business day, our local support staff is available to respond to and effectively manage each and every plan participant's questions and benefit requests.

EBSG assigns a minimum of one dedicated representative to each of our district clients so that they can provide education and counseling services to district employees. Everything, from our educational luncheons to quarterly newsletters, from our library of 457(b) online forms to our proprietary dedicated servers and software applications, has been designed to deliver highest quality and timely service to our clients.

With our team on your side, you and your employees can expect superior service, a potpourri of no-cost client services, the convenience of a local office, caring and knowledgeable staff, and working with a provider that is passionate about education and gives back to our local community and schools.

EXPERTISE:

Knowledge and expertise are the underpinnings of our client-centric philosophy. Our team is among the most knowledgeable in the industry capable of addressing even your organization's most challenging plan needs. We take pride in our team's commitment to continuing education in the areas of investments, tax, and IRS rules and regulations, so you can rely on us for accurate and up-to-date advice and guidance.

ORGANIZATIONAL EXCELLENCE:

We provide our services to our clients accurately and on time so that you can rest assured your plan is in full compliance. We are committed to excellence in all the services we provide.



457(b) Plans

OUR APPROACH AND EXPERIENCE:

As an independent 457(b) plan provider with no proprietary investment products, EBSG offers employees and employers an open selection of investment options for optimal flexibility. Our services and investment products are specialized for the education industry. We are mindful of the fact that each school district, university, governmental agency, or tax-exempt organization requires a customized strategy and plan based on the employer's circumstances and employee needs. Our team specializes in creating and maintaining 403(b) and 457(b) plans for government, education, and tax-exempt employers. EBSG has internal controls that ensure system quality and protection of plan assets.

We offer comprehensive 457(b) plan services including plan design and documentation, compliance monitoring and testing, indemnification agreement, representation before the IRS and the California State Franchise Tax Board, investment provider selection, education and communication support as well as annual reviews. Since 2008, we have assisted more than thirty sizable 457(b) plan sponsors, mostly public school districts, navigate the 457(b) compliance and common remittance environment. Our clients range from small charter schools to large school districts with dozens of sites and thousands of employees.

INVESTMENT VEHICLE SELECTION:

Open Venue – More than 1,500 individual funds are included under the investment providers available to District. Without any proprietary investment products, EBSG presents an open selection of investment options. There is practically no limit to the number of funds that EBSG can assist District include in its plans. However, annually, we review numerous investment vehicles to select optimal choices for our district clients and their employees. In California, 403(b) Compare provides a list of approved investment providers for employer selection. However, with the 457(b) plan, employers have direct discretion over the number and type of investment vehicles to be included in the plan.

FEES AND CHARGES:

No-Cost Solutions – Our solutions include a potpourri of no-cost client services including Financial Planning, 457(b) Plan Design and Documentation, Tax Reduction Analysis, Compliance Monitoring and Testing, Indemnification Agreement, Representation Before the IRS and the California State Franchise Tax Board, Salary Reduction Agreement Management, Annual reviews and reports, Education and Communication support, Online Resources, Newsletters, and Long Term Care.

INITIAL ROLL-OUT:

Our firm's initial roll-out can occur at any time at District's sole discretion. Employees can begin using our services as soon as District's Board approval is granted and the necessary documents have been signed. After signing, our team coordinates the dates for the initial employee presentation, introduction to site managers, and review of the Compliance Book and procedures with key district employees including HR and Payroll staff.



PARTICIPANT EDUCATION AND ENROLLMENT:

Education is the cornerstone of our client-centric approach to customer care. Financial and retirement plan education is not only vital to your employees' understanding of their rights and choices, it plays a key role in your district's compliance with IRS regulations. All district employees must receive notice of available retirement options and our firm complies with these guidelines in the following three ways:

1. We furnish our district clients a Universal Availability Letter which provides employees with valuable information regarding the availability of the district's plans.
2. As a way of giving "meaningful notice," we educate your district employees about their right to make elective deferrals by way of workshops conducted during lunch hours, mandatory meetings, and seminars.
3. We offer your employees several ways to learn more about and participate in District's 457(b) plans. Personalized service is provided to your employees by way of appointments at their home, work, our local office in Campbell, or any other location that is convenient for them.

INTERNET ACCESS:

As part of our ongoing commitment to customer care, in addition to our convenient local office, local and toll-free phone numbers, fax, and email support, we offer your district employees 24/7 access to valuable 403(b)/457(b) plan information, compliance documents and other downloadable forms online at: www.eBenefitsServices.com.

PARTICIPANT STATEMENTS

Each participant will receive regularly scheduled (monthly, quarterly, or annually) statements directly from their investment provider(s).

TAX COMPLIANCE:

We ensure that all tax reporting requirements are followed in full compliance with IRS rules and regulations, thereby minimizing District's liability while maximizing its protection.

Foothill-De Anza Community College District

Our firm commits to administering one of the two District 457(b) Deferred Compensation Plans in ways that minimizes costs and liability while maximizing protections and values to District.

The proposed services leverage our team's expertise in working with large public school districts. With our open venue platform, we offer our district clients and their employees the widest range of investment options—something that cannot be delivered by companies limited to proprietary investment products.

Our proposal consists of information responsive to District's Request for Proposal No. 1464.

STATEMENT OF WORK (NEWLY CREATED SECTION 4.4.1)

Content in this section pertains to Section 3 of the RFP entitled Statement of Work.

Scope of Services

(RFP Section 3.1)

The firm selected pursuant to this RFP will be expected to provide the necessary 457(b) plan administrative services in order to ensure that the District is in compliance with all pertinent IRS rules and regulations. The services will include, at a minimum, the following:

- a) Serve as a plan provider for one of the two District 457(b) deferred compensation plans;*
- b) Perform an annual review of the 457(b) plan activity and performance;*
- c) Perform the required compliance monitoring to ensure that the 457(b) plan meets all required federal and state reporting requirements; and*
- d) Provide representation before the Internal Revenue Service and the State of California Franchise Tax Board regarding any claims related to the administration of the District's 457(b) deferred compensation plan.*



Our firm's services meet or exceed the requirements provided in this section.

Firm Profile

(RFP Section 3.2)

3.2.1 Describe the ownership structure and primary business of your organization, including all subsidiaries. (If the vendor is an insurance company or an issuer of debt, provide Moody's, Standard & Poor's, or Fitch ratings)

Employee Benefits Services Group (EBSG) is a member and subsidiary of U.S. Retirement Partners, the nation's largest independent K-12 retirement services firm with over 350,000 clients. EBSG is Northern California's leading financial and retirement planning services firm focused on K-12 public schools, community colleges, local governmental entities, and non-profit organizations. Since 1989, EBSG has provided asset protection and growth solutions for thousands of employees in education and non-profit sectors through quality, licensed and Registered Representatives specializing in 403(b) and 457(b) plans. EBSG wholly owns and manages an independent, Silicon Valley-based, Third Party Administrator (TPA), Employee Benefits & Advisors, Inc. (EBSA). EBSA was established in 2008 in response to a need by Santa Clara County Office of Education (SCCOE) for a quality, service-oriented TPA solution.

 EmployeeBenefitsServices <i>Group</i>	 EmployeeBenefitsServices & ADVISORS, INC.
Field Representatives	Third Party Administrator (TPA)
<i>Serving as a resource providing ongoing education regarding an array of financial and retirement plans via individual and group meetings as well as seminars.</i>	<i>Assisting employers in establishing and maintaining a non-specific provider retirement plan, meeting operational, compliance and administrative guidelines under Internal Revenue Code Sections 403(b) and 457(b).</i>
<ul style="list-style-type: none"> • Separate California Corporation 	<ul style="list-style-type: none"> • Separate California Corporation
<ul style="list-style-type: none"> • Separate Dedicated Servers 	<ul style="list-style-type: none"> • Separate Dedicated Servers
<ul style="list-style-type: none"> • Separate Software Applications 	<ul style="list-style-type: none"> • Separate Software Applications
<ul style="list-style-type: none"> • Separate Business Procedure 	<ul style="list-style-type: none"> • Separate Business Procedures
<ul style="list-style-type: none"> • Separate Reporting Requirements 	<ul style="list-style-type: none"> • Separate Reporting Requirements
<ul style="list-style-type: none"> • Separate Liability Insurance 	<ul style="list-style-type: none"> • Separate Liability Insurance

3.2.2 Provide a brief history of your firm. Describe your overall corporate philosophy and the unique services and features you offer to community colleges, universities, K-12, and other public sector agencies.

When the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) was enacted, our firm transformed its business model by focusing on deferred compensation plans like the 457(b) Plan. EGTRRA offered a unique feature in the 457(b) plan not found in other plans like the 401(k) and 403(b) plans. Its "liquidity at any age" feature allowed our financial representatives to encourage younger eligible participants in the school district to participate in the 457(b) plan. When EBSG opened the 457(b) plan to any district, participation in the 457(b) plan increased exponentially that after 3-4 years,



there were more participants in the 457(b) plan than the much older 403(b) plan. As plan administrator of our client districts' 457(b) plans, our firm offers participants an open venue investment selection. EBSA and EBSG coordinate their processes so that employees have access to deferred compensation experts in the plan compliance and administration side as well as access to exclusive 457(b) plan financial representatives.

Our firm's leadership consists of industry veterans, Rocky Rocamora (CEO), Rebecca Olsen (COO), and Al Riordan (VP of Communications). They leverage their decades of combined experience to create and implement unparalleled solutions in the 403(b) and 457(b) industry.

Our responsive staff is familiar with your district administration and compliance needs and requirements. As a local TPA intimately involved with public education, we are no stranger to the many challenges facing districts in these volatile economic times. District employees are often stretched beyond their typical duties and responsibilities. We effectively work as an extension to your district's team, providing the needed support in properly administering retirement options for current and retiring employees.

Our client-centric philosophy guides every aspect of our organization. To us, 'customer care' defines who we are and why we do what we do. Our goal is to provide our services to employers and their employees with sincere care and understanding. To that end, we assign each plan sponsor a dedicated team of plan educators to address every aspect of their plan needs. Each business day, our local support staff is available to respond to and effectively manage each and every plan participant's questions and benefit requests.

As an independent financial services firm with no proprietary investment products, our firm offers employees and employers an open selection of investment options for optimal flexibility. Our solutions are specialized for the education industry. We are mindful of the fact that each school district, community college, university, governmental agency, or tax-exempt organization requires a customized strategy based on the employer's circumstances and employee needs. Our administrative team has in depth knowledge in creating and maintaining 403(b) and 457(b) plans for government, education, and tax-exempt employers. Our company has internal controls that ensure system quality and protection of plan assets.

Our solutions include a potpourri of no-cost services and products customized for the education industry employers and employees:

- 403(b) and 457(b) Plan design consultation
- Defined Contribution Plan document preparation
- Financial Planning
- Tax reduction analysis
- Compliance monitoring and testing
- Compliance and pension law assistance
- Information Sharing Agreement management
- Indemnification agreement
- Representation before the IRS and the California State Franchise Tax Board
- Salary reduction agreement management
- Completion of all necessary forms and schedules
- Calculations for new comparability
- Annual reviews and reports
- Education and communication support

- Website forms and tools
- Newsletters
- Simplified Pension Plans
- 403(b) traditional, 457(b) plans, Roth 403(b), Roth 457(b)
- Guaranteed Investments
- Tax Sheltered Annuities
- Term, Whole & Universal Cash Accumulating Life Insurance
- Long-term Care

3.2.3 Provide a listing of the 457(b) investment products that your firm offers.

There is practically no limit to the number of funds that EBSG can assist the District include in its plans. Popular investment provider options in 457(b) plans include:

FTJ Fund Choice
Security Benefit
Pacific Life
LSW (National Life)
AUL
PlanMember

The various investment options available to participants under 457(b) plans include:

- **Fixed Annuities:** Offered through insurance companies and backed by their assets, fixed annuities are guaranteed a minimum interest rate.
- **Equity-Indexed Annuities:** Equity-indexed annuities are offered through insurance companies that guarantee the consumer account protection while allowing the client to participate in the stock market by choosing an index in which they can participate. Like stocks or mutual funds, these indices go up or down. This new hybrid annuity has a minimum interest rate guarantee. When the Index of your choice goes up, your account grows, when the Index goes down, your account freezes and does not decrease. This protection is one of the main strengths of equity-index annuity.
- **Variable Annuities:** With a variable annuity, you choose how the money will be invested from a preselected list of funds offered through insurance companies, which can range from aggressive stock funds to conservative bond funds. The returns can vary depending on the underlying performance of the investments you choose. Most variable annuity contracts offer death benefit riders that provide a benefit to your heirs, and living benefit riders that provide guarantees as to how much income you can withdraw from the policy at a later date. These riders often come at high costs.
- **Mutual Funds:** A mutual fund is a professionally managed type of collective investment that pools money from many investors and invests it in stocks, bonds, short-term money market instruments, and/or other securities. The mutual fund has a fund manager that trades the pooled money on a regular basis. The net proceeds or losses are then typically distributed to the investors annually.



3.2.4 Describe any enhancements you plan to implement during the next 12 months and the value it will add to your service.

Our firm will be adding third party managers who have access to Exchange Traded Funds (ETFs) and alternative investment options like non-traded Real Estate Investment Trusts (REITS). Third party managers such as Russell Investments allow participants to use investment professionals who manage large endowment funds and giant foundations such as the Bill & Melinda Gates Foundation.

3.2.5 What has been the scope and length of your experience with community colleges, universities, K-12, and other public sector 457(b) programs?

Since 2002, our firm has been deeply engaged in establishing and servicing 457(b) plans for some of the largest and most-recognized San Francisco Bay Area public educational institutions. During this period, our team has provided education, retirement options, and compliance services to thousands of school district employees and dozens of K-12 school districts, community colleges, and charter schools including Santa Clara County Office of Education.

3.2.6 What portion of your total operation is devoted to public employer tax deferred programs, how many employers do you serve, and what is the number of participants?

More than two-thirds of our operations are solely devoted to public employer tax deferred programs. As of this writing, we are serving more than 35 employer groups with a total employee count of 17,000, including approximately 5,400 participants.

3.2.7 How many community college, university, K-12, or other public-sector defined contribution and deferred compensation plans do you currently administer? Identify if you are an exclusive or secondary administrator.

EBSA is the exclusive administrator for 35 public and non-profit employers including K-12 school districts, community colleges, and charter schools.

3.2.8 Will a dedicated relationship manager be assigned to our program? If so, please include the manager's functional role and responsibilities, retirement savings plan administration experience, tenure with the firm, job title and biography and/or resume outlining experience and credentials.

Yes, Rebecca Olsen, our firm's Chief Operations Officer.



Rebecca Olsen, COO and Plan Administrator

Ms. Olsen joined EBSG in 1997 and, starting with a single client (SCCOE), Principals Rebecca Olsen, Allen Riordan and Rene Rocamora founded EBSA in 2008.

Under the direction of the CEO, Ms. Olsen serves as Chief Operations Officer and District Relations Director. She forges and manages relationships with school districts and tax-exempt organizations. Since 2009, she has successfully added more than 30 Northern and Central California school districts and tax-exempt employers to our client roster. As the firm's District Relations Director, Ms. Olsen conducts ongoing reviews with each district to ensure full compliance with their existing 403(b) and 457(b) plans.

Previous positions held by Ms. Olsen include serving as the District Manager of SBHC Medical and Dental facility. She was responsible for opening three satellite offices in the Bay Area, staffing and managing over 65 employees including dentists, orthodontists, periodontists, pedodontists, oral surgeons, optometrists and podiatrists. At SBHC, she successfully advanced the Migrant Education Program by delivering much needed dental care to local migrant children.

Prior to SBHC, Ms. Olsen served as the interim EOPS Program Assistant for Evergreen College. In that role, she conducted seminars, workshops, campus tours, job placements, and assisted the Director of Financial Aid. Also, as the owner of Easy Street Theatre Company, she produced and directed dozens of plays and musicals throughout the Bay Area, and taught classes on the subject. As a Casting Director for Extra! Casting, she placed professional talent in films, commercials, print ads, and industrials, both Union and Non-Union, Principals and Extras. She also worked on the set when needed as an acting coach. In Southern California, for Retail Clerks Union & Food Employers Pension Fund, Ms. Olsen processed statistical data for pension clients and supplementary payments on their Worker's Compensation, State Unemployment, and State Disability.

Ms. Olsen holds an Insurance License for Life, Health & Accident through the state of California and is a Small Business and Group Benefit Specialist for PrePaid Legal. Ms. Olsen holds a Bachelor of Arts degree in Business Administration and is currently a Juris Doctorate candidate at American Heritage University School of Law.

**DeeDee Amper, *Lead Processor***

Ms. Amper joined EBSG in 2003 as a Processor and was promoted to Lead Processor in 2006. In 2009, she joined EBSA to provide Compliance and Administration support to our district clients.

Ms. Amper serves as the liaison between client district participants, their financial advisors, and investment providers. She reviews investment account applications and confirms accuracy prior to submission. Ms. Amper reviews and processes participant requests for new accounts, loans, hardships, and distributions related to 403(b) and 457(b) plans.

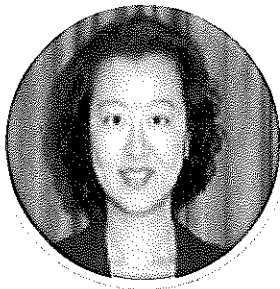
Prior to joining EBSG, Ms. Amper held positions in sales and customer support including Catalog Sales and Customer Service at JDR Computer Products. In that position, she sold PC products, electronic components and software, exceeding monthly revenue goal by 15%. Further, she handled inbound phone, email, fax, and web orders, processed discrepancies and RMAs, and renewed client contracts.

**Anita Re, *Processor***

Ms. Re joined EBSG in 2005 as a Receptionist. She was promoted to the Processing Department in 2006 and, in 2009, she began supporting EBSA's Compliance and Administration department.

Ms. Re handles daily processing activity for our firm. She processes securities and non-securities applications, verifies accuracy of information, confirms district participant data with investment providers, works one-on-one with plan representatives and investment advisors to assist with transfers and salary documents, and she takes care of telephone or walk-in inquiries regarding participant loans, hardships, and distributions.

Prior to joining EBSG, Ms. Re held positions in the real estate industry. She served as the Escrow Secretary for Fidelity National Title, opening new sales and refinance orders as well as processing funding packages, policy write-ups, and title documentations for recording. She also worked as an Assistant Office Manager/Administrative Liaison at Re/Max Silicon Valley. At Re/Max, she supported 12 Loan Agents, the Operations Manager, one Assistant Manager, and the Broker-of-Record.



Doris Wang, *Registered Representative*

Ms. Wang joined EBSG in 2004 as a Registered Representative. She continues to provide ongoing 403(b) and 457(b) plan education to numerous participants in several large school districts in Silicon Valley.

Ms. Wang is passionate about helping employees of educational institutions build financial security and achieve financial freedom. She serves as the financial advisor to more than one thousand plan participants including 63 Foothill-De Anza Community College District employees. She advises clients on retirement, pension, and estate planning, education funding and planning, asset accumulation investments, as well as risk management and insurance planning.

Ms. Wang's financial services experience spans 16 years. In the past 8 years, she has been working exclusively with educators of public school districts, providing information and counseling. Her educational background includes undergraduate Economics studies in Beijing and an MBA from Santa Clara University.

system for audit purposes. Only our designated staff has the authority to approve or disapprove the transactions.

3.3.11 What types of reconciliation and editing do you perform?

Contributions are reconciled monthly.

3.3.12 How do you resolve data discrepancies?

Data discrepancies are resolved at the point of error. Audit trails and documentation are provided to resolve discrepancies and serve as basis for the monthly reconciliation.

3.3.13 Can you accommodate retroactive reductions to participant's accounts due to administrative error? Describe such capabilities in a daily environment.

Our firm can assist District in communicating with investment providers and requesting refunds on over contributions. We ask investment providers to adjust their records as to reflect the change. Further, we can provide District with the data so that District's payroll department can make appropriate adjustments to employees' payroll records.

3.3.14 What statements do you provide employers?

Annual 457(b) statements are sent directly to the district by investment providers. Account values and investment statistics can be provided by EBSG only on investment accounts opened through one of our representatives.

3.3.15 What educational materials do you provide that help employers to maintain plan compliance?

Throughout the year, we mail informational newsletters to participants and provide brochures regarding changes to 457(b) plans, if any.

3.3.16 Describe the services you offer that will help keep the plan in compliance with current and proposed regulations.

Our firm subscribes to the IRS and various third party providers specializing in the 403(b) and 457(b) market to ensure compliance to the ever-changing rules and regulations.

When it comes to processing of distributions, we review, approve, or disapprove the distribution according to the IRS rules and regulations. Under its Investment Provider Agreement with investment providers under the plan, investment providers are responsible for the distribution amounts, income tax withholdings and income tax reporting.

We also review, approve or disapprove domestic relations orders, and unforeseeable emergency withdrawals according to the IRS rules and regulations. District is not involved in adjudicating unforeseeable emergency withdrawal requests, however, District is requested to provide additional data in order for us to effectively render a decision.

Further, whenever an amendment is required to the plan document, we inform the appropriate District personnel of the changes and explain what steps needed to ensure compliance with the new rules and regulations. We prepare the plan document and presents it to District for review and signature.

3.3.17 What evidence can you supply that an independent auditor has audited your recordkeeping systems and administrative procedures?

There are no regulations that require independent audits of our recordkeeping systems or administrative procedures. We are a member of the National Tax Sheltered Accounts Association and American Society of Pension Professionals & Actuaries and we conform to their guidelines for best practices in administering the plans.

3.3.18 Discuss the training program you will provide as part of the implementation.

Education is the cornerstone of our client-centric approach to customer care. Financial and retirement plan education is not only vital to your employees' understanding of their rights and choices, it plays a key role in your district's compliance.

Per IRS regulations, all district employees must receive notice of available retirement options. Our firm complies with these guidelines in the following three ways:

1. We furnish our district clients a Universal Availability Letter which provides employees with valuable information regarding the availability of the district's plans. The information includes investment options, how to enroll, and who to contact.
2. As a way of giving "meaningful notice," we educate your district employees about their right to make elective deferrals by way of workshops conducted during lunch hours, mandatory meetings, and seminars. During our scheduled luncheons (we arrange lunch for all attendees), our representatives give a 7-minute presentation on various aspects of the district's 403(b) and 457(b) plans as well as pertinent information regarding STRS/PERS. These luncheon presentations are specifically designed to inform and educate district employees and do not include any discussions about investment products. Any individual employee interested in specific investment advice is asked to complete a contact sheet for a separate one-on-one appointment. These sheets are collected at the end of each luncheon and those select employees are then contacted directly to schedule said appointments.
3. As part of our ongoing commitment to customer care, we offer your employees several ways to learn more about and participate in the district 403(b) and 457(b) plans. Personalized service is provided to your employees by way of appointments at their home, work, our local office in Campbell, or any other location that is convenient for them. Employees are provided their representative's cell number and are encouraged to bring along their spouse, partner, or family member to their appointments.

Additionally, employees can contact our team via phone, fax, or email. For 24/7 access to valuable 403(b)/457(b) plan information, compliance documents and other downloadable forms, employees are encourage to visit our website at www.eBenefitsServices.com.

Participant Services

(RFP Section 3.4)

3.4.1 Describe your Internet strategy.

As part of our commitment to customer care, we make most of our compliance and enrollment forms as well as 403(b) and 457(b) information guide available online 24/7 on our website:
www.eBenefitsServices.com.

3.4.2 What is the URL for your web site?

www.eBenefitsServices.net and www.eBenefitsServices.com

3.4.3 What transaction and informational features do you offer to public employees?

We provide informational brochures and other documents that specifically apply to the governmental 457(b) plans and their participants. These documents are updated regularly to conform to the ever-changing rules and regulations. Our investment providers offer participants online access to accounts, where participants can initiate or reallocate investments.

3.4.4 Describe content provided at your site that is relevant specifically to our plan and our employees.

District and its employees can access up-to-date information on our company website and download the following forms at: www.eBenefitsServices.com/school_districts.html

INFORMATION GUIDE:

403(b)/457(b) Information Guide

SALARY REDUCTION FORMS (SRA):

SRA - 457(b) Governmental
SRA - Roth 457(b) After-tax
SRA - 403(b) Traditional/Pre-tax
SRA - Roth 403(b) After-tax

COMPLIANCE DOCUMENTS:

457(b) Transfer, Rollover, Distribution, Emergency Form
457(b) Loan Authorization Form
403(b) Transfer, Rollover, Distribution, Hardship Form
403(b) Loan Authorization Form
403(b) Maximum Allowable Contribution Form



Communications and Education

(RFP Section 3.5)

3.5.1 Describe your corporate commitment to educating employees and providing timely service regarding questions and activities related to 457 plans.

Same as 3.3.18

3.5.2 How do you keep your clients abreast of changing legislative issues?

We communicate changes in regulations or legislative matters via in-person meetings (one-on-one and in group settings), emails, newsletters, and website.

3.5.3 How are participant complaints and irregularities handled?

Participant complaints and irregularities are first handled through our representatives and immediately escalated to our local in-house compliance and administrative staff if necessary. Our company managers are here to ensure effective and timely resolution to every participant need, no matter how large or small.

CONFLICT OF INTEREST (SECTION 4.5)



4.5.1 Disclose any personal or business relationship your firm has with the District, or with any of the Board Members or officers of the District.

None

4.5.2 Describe any regulatory censure or litigation involving the business of your firm with relation to its 403(b), Roth 403(b), 457(b), and deferred compensation or defined contribution services in the past five years.

None

REFERENCES (SECTION 4.6)

4.6.1 Provide a list of three community college, university, K-12, or other public-sector clients for whom the firm has provided 457(b) plan administrative services in California in the past 3 years. Indicate the scope of the work performed for each of the referenced clients. Include the name of the client, address, telephone, and name of each client's primary contact person.

Our company continues to provide 403(b)/457(b) plan education and TPA services for the following districts:

Santa Clara County Office of Education

Alicia Salas
Director, Human Resources-Benefits Compliance
1290 Ridder Park Drive
San Jose, CA 95131
Tel: (408) 453-6876
Fax: (408) 453-6932
Email: alicia_salas@sccoe.org

Santa Clara Unified School District

Jim Luyau
Assistant Superintendent Business Services
1889 Lawrence Road
Santa Clara, CA 95052
Tel: (408) 423-2024
Fax: (408) 249-3162
Email: jluyau@scusd.net

Mountain View Whisman School District

Craig Goldman
Superintendent
750 A. San Pierre Way
Mountain View, CA 94043
Tel: (650) 526-3552
Fax: (650) 964-8907
Email: cgoldman@mvwsd.org

Evergreen School District

Nelly Yang
Chief Financial Officer
3188 Quimby Road
San Jose, CA 95037
Tel: (408) 270-6843
Fax: (408) 223-3374
Email: nyang@eesd.org



4.6.2 As samples, provide copies of 457(b) deferred compensation plan documents prepared in the most recent two years, preferably plan documents prepared for community college districts, universities, and K-12.

See Addendum

4.6.3 If available, provide samples of written feedback you've received from participants in plans that you administer.

See Addendum

COST OF SERVICES (SECTION 4.7)

4.7.2 Describe your philosophy on fees and expenses.

Our services and products are specialized for the education industry. Our administrative team has in depth knowledge of creating and maintaining 403(b) and 457(b) plans for government, education, and tax-exempt employers.

We are mindful of the current budgetary constraints faced by many districts, community colleges, universities, governmental agencies, and tax-exempt organizations. Further, we understand that each employer requires a customized strategy based on the employer's circumstances and employee needs. Therefore, we offer responsive solutions which include a potpourri of effective, no-cost services and products customized for the education industry employers and employees as detailed above in Section 3.2.2.

4.7.3 Identify all fees for plan document preparation, including any fees to maintain, update, and/or ensure compliance of such document.

No-Cost Solutions – Our TPA services will be provided at no-cost to District or its employees. Our standard fees are \$2 per month per participant for Third Party Plan Administration and Compliance. Our fees are billed to plan vendors directly, not to District or its employees.

Independent of charges assessed by individual funds included in District's plans, there are no additional charges to the \$2.00 fee described above including any set-up or annual fees, transaction or management fees, front-end or back-end load fees, interest forfeitures on withdrawals, mortality and expense fees.

4.7.4 Identify all participant and fixed-dollar service fees, including, but not limited to contribution, loans, and withdrawals. Based on typical plan experience, what would the average participant likely pay annually in fixed-dollar fees (provide supporting documentation)?

None. See response to 4.7.3

4.7.5 Demonstrate your commitment to decreasing fees and expenses.

We demonstrate our commitment to decreasing fees and expenses through continual improvements to our internal systems and operational efficiencies, establishing and maintaining quality, synergistic partnerships that allow us to offer one of the most comprehensive no-cost solutions available in the industry.

4.7.6 Identify tiered pricing structure (if any).

None

4.7.7 Identify all other fees, costs, or expenses not identified above.

None

ADDITIONAL INFORMATION (SECTION 4.8)



The preceding sections shall contain only the information requested. If the firm desires to present additional information, such additional information shall be presented in this section of the RFP. If there is no additional information present, indicate, "There is no additional information to present."

See Section 4.1 (All Addendums) for additional information regarding our firm and services.