

Request for Proposal

403(b) and 457(b) Deferred Compensation Plans
Recordkeeping, Compliance & Investments

For

Kansas City, Kansas Public Schools

November, 2009

Section 1 - General Information

- A. **Purpose:** Kansas City, Kansas Public Schools' (also known as USD 500 Wyandotte County) Management Staff (Plan Sponsor) is soliciting proposals for one firm or one alliance to offer administrative, record keeping and investment custodial services for the Kansas City, Kansas Public Schools 403(b) and 457(b) Deferred Compensation Plan.
- B. **Project:** The mission or purpose of the project is to secure for the Plan Sponsor, a firm or an alliance that will offer the full scope of 403(b) and 457(b) plan administrative and record keeping services in a daily valued environment and also deliver investment selection, education and counseling, management and review services.
- C. **RFP Format:** This RFP has six sections. Section 1 contains "General Information", Section 2 identifies the "Terms and Conditions", Section 3 lists the "Assumptions & Objectives", Section 4 is the "Technical Proposal / Questionnaire" portion, Section 5 is the "Cost Proposal" portion and Section 6 is the "Reference" section.
- D. **Inquiries:** Additional information inquiries regarding specifications of this RFP must be submitted in writing. The deadline for written inquiries is identified in the Schedule of Events in Section 1 (November 30th). All inquiries of specification clarification must be addressed to:

Jack Keller
CBIZ Financial Solutions, Inc.
11440 Tomahawk Creek Parkway
Leawood, KS 66211
jkeller@cbiz.com
913-234-1705

The vendor shall absolutely NOT make contact with any member of the evaluation committee, the Key Executive Cabinet of Kansas City, Kansas Public Schools and/or the elected Board of Education. Violation may result in rejection of the bid. The person named above is the sole contact for any and all inquiries after this RFP has been released.

- E. **Oral Statements and Commitments:** Vendor must clearly understand that any verbal representations made or assumed to be made during any oral discussions held between Vendor's representatives and any Plan Sponsor personnel or anyone on the selection committee is not binding. Only the information issued in writing and added to the Request for Proposal specifications filed by an official written addendum are binding.
- F. **Economy of Preparation:** Proposals should be prepared simply and economically, providing a straightforward, concise description of Vendor's abilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

- G. **Labeling of RFP Sections:** The sections within this RFP contain instructions governing how the Vendor's proposal is to be arranged, submitted and to identify the material to be included therein.

Mandatory Requirements: The mandatory sections of this RFP, Sections 4 & 5 and exhibits, require responses, and completion of these sections is the minimum required from this RFP. The vendor is required to meet the mandatory specifications in order to be eligible for consideration and to continue in the evaluation process. A simple "yes" or "no" response to these sections is not adequate. Failure to address mandatory items shall result in disqualification of the vendor's proposal and the evaluation process will be terminated for that vendor. Decisions regarding compliance with the intent of any mandatory specification shall be at the sole discretion of the selection committee.

If a "standardized proposal" is submitted with one or more of the mandatory items not addressed, the submission will be considered non-responsive resulting in possible disqualification of the vendor's proposal.

Contract Terms and Conditions: Section 2 details the contractual terms and conditions under which the Plan Sponsor will review the RFP submissions and enter into a contract.

Informational Sections: All information Sections in 1 & 3 do not require a response from the vendor. They are intended to aid the vendor in structuring an effective proposal capable of meeting the needs of the issuing entity.

- H. **Proposal Format and Submission:** Vendors must respond to the Technical Proposal, Section 4, and respond to the Cost Proposal, Section 5, in order to be considered. The RFP is distributed in "electronic" copy. If you wish to receive this Request for Proposal in hard copy format, please email your request to Jack Keller at jkeller@cbiz.com.

Each proposal must be formatted as follows in the order listed:

- **Title page:** Should state the RFP subject and number, the name of the Vendor, Vendor's business address, telephone number, name of authorized contact person to speak on behalf of the Vendor, dated and signed.
- **Table of Contents:** Clearly identify the material by section and page number.
- **Technical Proposal / Questionnaire:** The vendor or alliance must complete the questionnaire in Section 4. Questionnaire responses must be completed in the order listed in Section 4. Questionnaire responses must begin with the complete question, followed by the response. The responding entity (if responding as an alliance) must be identified prior to each response.
- **Cost Proposal:** Total cost of the engagement must be provided. Total cost must be capped, but not limited to reduction, for a minimum of three years. The vendor shall estimate prospective transfer of assets into the Plan. Include pricing scales if applicable.

- **References:** The Vendor or alliance must provide, upon request, the minimum number of references requested in the format provided.
- **Other / Appendix:** The Vendor or alliance may add an appendix to include tables, charts and/or illustrations.

The bidder may make no other arrangement or distribution of the proposal information. Failure on the part of the bidder to respond to specific requirements detailed in the RFP may be basis for disqualification of the proposal. The selection committee reserves the right to waive any informality in the proposal format and minor irregularities.

All Proposers must submit their proposals in separate, sealed packages as follows:

Two (2) originals copies of the Qualifications and Experience/Technical proposal enclosed in a separately sealed opaque envelope marked “Technical Proposal – 403(b) and 457 (b) Administration Services,” and two (2) originals proposals of the price proposal enclosed in a separately sealed opaque envelope marked “Price Proposal – 403(b) and 457(b) Administration Services,”. The proposals must be delivered to:

Submit two original proposals in two separate envelopes to:

Cindy Orr
CBIZ Financial Solutions, Inc.
11440 Tomahawk Creek Parkway
Leawood, KS 66211

The outside of the envelope or package(s) should be clearly marked “Kansas City, Kansas Public Schools RFP Response”.

Deadline for both deliveries is December 3, 2009 5:00 pm CST. Failure to submit your proposal in the required format may result in disqualification of the bidder.

Vendors mailing proposals should allow sufficient time for mail delivery to ensure timely arrival. Each recipient should receive his package under separate cover to insure arrival at its designated location prior to the bid submission deadline. All copies must be submitted to the respective offices prior to the date and time stipulated in the RFP as the bid submission deadline. All bids will be date and time stamped in each office to verify the official date and time of receipt. Any proposal received after the bid submission deadline date and time will be immediately disqualified.

I. Schedule of Events:

| | |
|---|--------------------------|
| Release of the RFP | November 16, 2009 |
| Vendor's "Written Questions" Submission Deadline..... | November 30, 2009 |
| Bid Submission Deadline | December 3, 2009 |
| Interviews with semi-finalist..... | week of January 11, 2010 |
| Notification to Successful Vendor..... | January 29, 2010 |
| Implementation/Conversion Begins..... | February 1, 2010 |
| Effective Date | May 1, 2010 |

J. Evaluation of Administrative & Record Keeping Services:

- A. Firm Qualifications and Experience
- B. Implementation & On-going Communication
- C. Operational and Legislative Compliance
- D. Statements and Reports
- E. Internet, Voice Response and Call Center
- F. Quality Control
- G. Cost / Expenses

K. Evaluation Criteria for Investment Fund:

- A. Firm Qualifications and Experience
- B. Risk / Return - 3 & 5 years
- C. Fund Management
- D. Net Rate of Return - 3 & 5 years
- E. Investment Rating - Trailing 3 & 5 years
- F. Advice, Modeling & Education
- G. Cost / Expenses

L. Selection Process:

From Phase I (technical and price proposal/response) of the RFP process, the evaluation committee will select potential providers using the criterion noted above. Semi-finalists will be invited to participate in Phase II (provide references and interview) of the RFP process.

Section 2 – General Terms and Conditions

I. Terms and Conditions

- A. The term of the Agreement is intended to remain in place for a minimum of three years commencing on May of 2010. Annually, Kansas City, Kansas Public Schools will review fees and services with the Service Provider. This Agreement shall continue from year to year unless terminated by either the Service Provider or the Client by written notice received not less than sixty (60) days prior to the expiration of the initial or extended term.
- B. The Company shall not assign any interest in the contract and shall not transfer any interest in the same without prior written consent of the Kansas City, Kansas Public Schools.
- C. No reports, information or data given to or prepared by the Company, under this Agreement, shall be made available to any individual or organization by the Company without the prior written approval of the Kansas City, Kansas Public Schools.
- D. Company shall comply with all federal, state, and local laws, statutes, ordinances, rules, and regulations applicable to the services to be rendered under this Agreement. Company's violation of any of these laws, statutes, ordinances, rules, or regulations constitutes a breach of this Agreement and entitles the Kansas City, Kansas Public Schools to terminate this Agreement immediately upon delivery of written notice of termination to Company.
- E. The Company's designated representative must be able to sign the Hold Harmless Agreement (a sample of which is included with the RFP). The Company shall indemnify, defend, and hold harmless The Board of Education and its respective elected officials, employees, departments, agents and volunteers from any and all claims, demands, suits, and actions, including attorney's fees, litigation expenses and court costs, connected therewith, brought against the Kansas City, Kansas Public Schools, the Board of Education and its respective elected officials, employees, departments, agents, and volunteers, arising as a result of any direct or indirect, willful, or negligent act or omission of the Company (or its employees, agents, or volunteers), including any and all claims, costs, and/or losses whatsoever occurring or resulting from Company's failure to pay any such compensation, wages, benefits, or taxes, and the supplying to Company of work, services, materials, or supplies in connection with or in support of the performance of this Agreement.
- F. **Independent Contractor.** The Board of Education and Company recognize and agree that Company is an independent contractor, and that neither Company nor any of Company's employees or agents is an employee of The Board of Education, nor will they received compensation directly from the Kansas City, Kansas Public Schools.
- G. **Subcontract or Assignment.** Company shall not subcontract or assign any part of this Agreement without the prior written consent of The Board of Education.

- H. Responsibility for payment of taxes. Company shall be responsible for all federal, state, and/or local taxes and Social Security liability that may result from the performance of and compensation for these services. The Company shall complete and file a form W-9 with The Board of Education (if applicable.)
- I. In the event the services to be provided by Company must by law be provided by individuals who are licensed and/or certified, only individuals who are licensed and/or certified in accordance with the law shall provide the required services. All such individuals assigned by Company to provide services shall maintain their license and/or certification in good standing (not under review or subject to suspension, credentials current) during the entire term of this Agreement. Company shall, prior to providing services, submit documentation that the individuals assigned to provide services are properly credentialed and are licensed.
- J. Performance Evaluation. The Board of Education or its authorized agent or representative may conduct an evaluation of the Company's performance under this contract. Company shall fully cooperate with The Board of Education or its authorized representative and shall provide such information and documents as may be requested.
- K. Conflict of Interest - No agent, officer or employee of Kansas City, Kansas Public Schools shall in any manner whatsoever, be interested in or receive any benefit from the profits or emoluments of any contract, job, work or service for Kansas City, Kansas Public Schools. No such officer or employee shall accept any service or thing of value, directly or indirectly from any persons, firm or corporation having dealings with the District, upon more favorable terms than those granted to the public generally; nor shall he receive, directly or indirectly, any part of any fee, commission or other compensation paid or payable by Kansas City, Kansas Public Schools, or by any person in connection with any dealings with Kansas City, Kansas Public Schools, or by any person in connection with any dealings or proceedings before any branch office, department, board, commission, or other agency of Kansas City, Kansas Public Schools. No such agent, officer or employee shall, directly or indirectly, be the broker or agent who procures or receives any compensation in connection with the procurement of any type of bonds for Kansas City, Kansas Public Schools officers, employees or persons or firms doing business with Kansas City, Kansas Public Schools. No such agent, officer or employee shall solicit or accept any compensation or gratuity in the form of money or otherwise for any act of omission in the course of the contract performance.

II. Insurance Required

The Company shall purchase and maintain at a minimum the following insurance. Company agrees to indemnify and hold the Kansas City, Kansas Public Schools harmless from any claims caused by the negligence of Company.

We expect the Company to have Professional Liability/Error's and Omissions insurance with a limit of not less than \$1,000,000. If coverage is placed on a "claims made" form, such coverage shall afford full coverage for three years after the date upon which the last claim is closed or removed from the Company to another Company or Kansas City, Kansas Public Schools.

Employee dishonesty-Fidelity Bond including specifically endorsed coverage to apply to third parties with a limit of not less than \$250,000.

All insurance must be placed with companies licensed to do business in the State of Kansas and maintain a minimum A.M. Best rating of "A-" or Class X.

Failure to maintain such insurance shall be cause for breach of contract and shall be cause for termination of the contracted services.

III. Proposal and Award Schedule

A. All Proposers must submit their proposals in separate, sealed packages as follows: Two (2) original copies of the Qualifications and Experience/Technical proposal enclosed in a separately sealed opaque envelope marked "Technical Proposal – 403(b) and 457 (b) Administration Services," and two (2) original proposals of the price proposal enclosed in a separately sealed opaque envelope marked "Price Proposal – 403(b) and 457(b) Administration Services,". The proposals must be delivered to:

Submit two original proposals in two separate envelopes to:

Cindy Orr
CBIZ Financial Solutions, Inc.
11440 Tomahawk Creek Parkway
Leawood, KS 66211

The outside of the envelope or package(s) should be clearly marked "Kansas City, Kansas Public Schools RFP Response". Deadline for both deliveries is December 3rd, 2009 at 5:00 pm CST. Failure to submit your proposal in the required format may result in disqualification of the bidder.

Vendors mailing proposals should allow sufficient time for mail delivery to ensure timely arrival. Each recipient should receive his package under separate cover to insure arrival at its designated location prior to the bid submission deadline. All copies must be submitted to

the respective offices prior to the date and time stipulated in the RFP as the bid submission deadline. All bids will be date and time stamped in each office to verify the official date and time of receipt. Any proposal received after the bid submission deadline date and time will be immediately disqualified.

- B. Confidentiality - Bidders should give specific attention to the identification of those portions of their proposal which they deem to be confidential or to contain proprietary or business confidential information.
- C. By submitting a proposal, the Company agrees that he is satisfied, as a result of his own investigations of the conditions set forth in this request, that he fully understands his obligations should he be awarded this contract.
- D. The Company shall abide by and comply with the true intent of this RFP and not take advantage of any unintentional error or omission, but shall fully complete every part as the true intent and meaning of the scope of services, as decided by the Kansas City, Kansas Public Schools, and as described herein.
- E. Proposals must give the full name and address of the proposer and the person signing the proposal shall, upon request of Kansas City, Kansas Public Schools, indicate his or her title and/or authority to bind the firm in a contract.
- F. The qualifications of Companies will be determined in part by their response to this request and on past performance. No assumptions should be made on the part of the Company as to this Committee's prior knowledge of its abilities. Therefore, the proposer shall provide information fully documenting his or her past projects of similar work complete with references.
- G. This contract will be awarded in the manner that best serves the interests of the Kansas City, Kansas Public Schools and its employees according to the judgment of the Kansas City, Kansas Public Schools. Kansas City, Kansas Public Schools retains the right to award this contract to the next responsive and responsible bidder if the Company fails to submit a properly prepared contract ready for execution by the parties within ten (10) calendar days after being notified of the acceptance of its proposal.
- H. Clarification of Proposals-After identifying the most qualified bidders based on the evaluation criteria identified in this document, the company representative may be required to clarify the proposal by making an individual presentation to the evaluation team. Cost proposals should be submitted as "best and final" offers. However, Kansas City, Kansas Public Schools may enter into negotiations with a company where a change in the originally proposed services is being considered, if deemed to be in the best interest of Kansas City, Kansas Public Schools. Such a change would also be discussed with other finalist bidders where applicable based on the content of the proposal. Negotiations may be in the form of face-to-face, telephone, facsimile, email or written communications, or any combination thereof, at Kansas City, Kansas Public Schools' discretion. The Kansas City, Kansas Public

Schools reserves the right to request clarification of information submitted and to request additional information of one or more applicants.

- I. Any proposal may be withdrawn up until the date and time set within this Request for Proposal (RFP) for the opening of the proposals. Any proposal not so withdrawn will constitute an irrevocable offer, for a period of ninety (90) calendar days, to sell to the Kansas City, Kansas Public Schools the services outlined in this RFP.

- J. Any agreement or contract resulting from the acceptance of the proposal shall be made on forms approved by the Kansas City, Kansas Public Schools and shall contain as a minimum, applicable provisions of this RFP. The Kansas City, Kansas Public Schools reserves the right to reject any agreement that does not conform to this RFP and any Kansas City, Kansas Public Schools requirements for agreements or contracts.

IV. Company Selection Process

- A. The Selection Committee shall be comprised of the following: Kansas City, Kansas Public Schools staff and the Executive Vice President of CBIZ Financial Solutions, Inc., or his representatives, shall serve as Facilitator.
- B. It is the Kansas City, Kansas Public Schools' intent to open and review the technical portion of each firm's Proposal to determine a firm's qualifications, experience and technical approach to the project. If the Committee determines that a firm's technical portion of the Proposal is acceptable, then the firm's pricing will be reviewed.
- C. Since it is the Kansas City, Kansas Public Schools' desire to select the most qualified firm, the Selection Committee reserves the right to schedule oral presentations of those firms it deems most qualified, to take place within ten (10) business days following notification.

V. Interpretations, Discrepancies, Omissions

Should any Company find discrepancies in, or omissions from, the documents or be in doubt of their meaning, the Company should at once request in writing an interpretation from:

Cindy Orr, Senior Account Executive
CBIZ Financial Solutions, Inc.
11440 Tomahawk Creek Parkway
Leawood, KS 66211
913-234-1741 Phone
913-458-5236 Fax
corr@cbiz.com

All necessary interpretations will be issued to all Companies in the form of addenda to the specifications, and such addenda shall become part of the contract documents. No requests received after 5:00 P.M. (CST), December 3, 2009 will be considered. Every interpretation made by the Kansas City, Kansas Public Schools will be made in the form of an addendum, which, if issued, will be sent by CBIZ Financial Solutions, Inc. to all interested parties.

Section 3 – Plan Details, Assumptions & Objectives

Kansas City, Kansas Public Schools currently has 15 vendors:

- 403b ASP
- AIG Valic
- American Century
- American Fidelity Assurance Company
- Ameriprise Financial
- AXA Equitable
- First Investors
- Forrest T Jones
- Horace Mann
- ING
- Kansas City Life Insurance
- Lincoln Financial Group
- Metlife Resources & Metlife Investors
- Security Benefit Corp
- Waddell & Reed

A breakdown of existing assets and ongoing contributions by vendor (if available) is included with this RFP.

Current plan assets are:

| Estimated Flow | 403b | 457b: |
|--------------------------|----------------|------------|
| Current Assets | \$32,000,000 + | \$614,000+ |
| Annual Contributions | \$2,500,000 | \$110,300 |
| # of eligible | 3415 | 3415 |
| # of active participants | 850 | 125 |

Proposal Assumptions – two scenarios:

Scenario #1 - Assume your firm will be the sole provider;

Scenario #2 - Assume your firm will be one of 2 providers (divide assumption numbers below by 2).

The Kansas City, Kansas Public Schools district consists of 50 schools including:

- Four preschools
- 30 elementary schools + one charter school (grades K-5)
- Eight middle schools (grades 6-8)
- Four senior high schools (grades 9-12)
- Sumner Academy of Arts and Science (grades 8-12)
- Two alternative schools.

At last count we had approximately 19,561 students. We have approximately 3,415 employees with about 1,669 of them being teachers.

1. 3415 Total eligible employees
2. Approximately 850 Actively Contributing to the 403(b) Plan
3. One Payroll location with 24 payroll contributions per year
4. **Vendor to determine** the estimated amount of the current 403(b) Account balances that they will be able assist participants to transfer to the new program via plan to plan transfers within the first 12 months.
5. \$2,500,000 annual employee elective contributions to the 403(b) plan
6. **Vendor to determine** the estimated amount of current 457(b) Account balances that they will assist participants to transfer to the new program via plan transfers within the first 12 months.
7. \$110,000 annual employee contributions to the 457(b) plan
8. **Semi-annual** investment due diligence meetings in conjunction with advisor
9. **Two days of on-site employee communication**
10. **Annual** compliance & operation review meeting
11. Multiple Implementation group meetings
 - a. Topics
 - i. Implement new single provider 403(b) and 457(b) program
 - ii. Education about conversion from existing 403(b) and 457(b) to the new program
 - iii. Assistance with transfer process from prior vendor if desired
 - b. 5 days of on-site group and one-on-one meetings
12. Third party volume submitter plan document

Finder's Fee for RFP and Compensation

13. Vendors should include finder's fee of \$17,500 factored into their pricing, to be paid in one lump sum to CBIZ Financial Solutions, Inc. at the time of contract signing representing.

14. Vendors should include compensation in the amount of \$25,000 to be paid to a licensed advisor to be determined by KCKSD for due diligence and investment advisory services provided in the selection and monitoring of funds.
15. We will be selecting a vendor based on their products, services (as a sole or one of two provider option) and cost.
16. Plan Sponsor may, at its discretion, issue a request for bid and/or consider any proposals submitted along with the vendor proposal. Vendors that do not provide investment due diligence, employee communication, education & conversion support should reply accordingly to the questions pertaining to these subjects. The vendor's response to these questions can be "service provided by third party advisor".
17. Investment allocation will be participant directed.
18. Plan "hypothetical" investment allocation for illustrative purposes in Exhibit should be as follows:
 - a. 10% Stable Value / Cash
 - b. 20% Bond
 - c. 15% Balanced / Asset Allocation / Lifestyle
 - d. 30% Large Cap Domestic Stock
 - e. 15% Mid & Small Cap Domestic Stock
 - f. 10% International
19. Loans are not allowed in neither of the plans.
20. Hardship distributions are allowed under the current 403(b) and on a modified basis for the 457(b) plan provisions.
21. Roth contributions are not allowed.

Plan Sponsor Objectives

The primary objective of this RFP is to identify a service provider or combination of providers to assist the client in meeting their prudent responsibilities as it pertains to product, fund selection, administration as well as monitoring their retirement programs. The new service provider(s) must be willing to accept fiduciary responsibility for fund selection in writing. If a single provider is chosen, that provider must be able to administer the plans as well be able to accept outsourced duties such as eligibility notification, enrollment, distribution processing and coordination of payroll data with the client. The provider must be able to assist the client, in conjunction with our chosen advisor, in the fund selection, monitoring and due diligence processes associated with developing the plan's portfolio. The credentials of the individual(s) providing these services as well as the ability to accept fiduciary responsibility, in writing, is required.

If your firm is capable of administering multiple vendor options, please include pertinent details within your proposal.

Some of the major objectives for the Plan Sponsor in reviewing 403(b) and 457(b) Deferred Compensation Plan providers include:

- Assistance meeting fiduciary duties as it pertains to fund selection and monitoring
- Develop a strategy and education program that conveys the message that the District is carrying out their due diligence process and all employees will benefit from the process of converting the current 403(b) and 457(b) programs of 15 vendors with various investment options and various contract formats into the new provider(s) program
- Determining one, no more than two reputable firms to administer both plans and share information as necessary
- Improve cost effectiveness for the Participants and District
- Ease of administration – outsourcing of determining eligibility, distributable events, Catch up contributions and requirement minimum distributions.
- A robust and multi-pronged Participant education/communication Plan
- Participant assistance in capturing & converting old/existing 403(b) and 457(b) accounts
- On site periodic investment review meetings
- On site annual plan review meeting
- Very few on site employee meetings
- Ability to cooperate with our current on-line enrollment process – receiving and retrieving payroll change data
- Dedicated client service representation

Section 4 – Technical Proposal

Kansas City, Kansas Public Schools Request for Proposal

Organization and History

1. Please provide the name(s), title(s), address(es), e-mail address, telephone and fax number(s) of the individual(s) responsible for responding to this request.
2. Provide a brief overview of your company and history of your organization including an organizational chart of your retirement plan operations. Please describe any parent/subsidiary/affiliate relationships.
3. Indicate how many years your company has been active in the defined contribution business, i.e., 401(k), profit sharing, etc. (Indicate the period of time for each service, if different, such as investment management for X years, record keeping for Y years, trustee services for Z years.)
4. Indicate the total value of assets in all defined contribution plans for which you provide administrative and/or recordkeeping services. Please provide detail on the number of plans that fall into each of the following asset ranges:
 - Under \$10 Million
 - \$10 to \$50 Million
 - \$50 to \$100 Million
 - \$100 Million and over
5. What is the total number of participants in all defined contribution plans for which you provide administrative and/or recordkeeping services?
6. How many defined contribution plans do you currently provide administrative and/or record keeping services for in the following categories:
 - Under 500 Employees
 - 500 to 1,000 Employees
 - Over 1,000 Employees
7. Indicate how many years your company has been active in the 403(b) and 457(b) business. (Indicate the period of time for each service, if different, such as investment management for X years, record keeping for Y years, trustee services for Z years.)
8. Indicate the total value of assets in all 403(b) and 457(b) plans for which you provide recordkeeping services.
9. What is the total number of participants in all 403(b) and 457(b) plans for which you provide recordkeeping services?
10. How many 403(b) and 457(b) plans do you currently administer in the following categories?
 - Under 500 Employees
 - 500 to 1,000 Employees
 - Over 1,000 Employees

Client Service / Quality Assurance

1. What is the average number of clients managed by the client service representative(s) that would be assigned to our plan?
2. What are your client retention statistics for each of the last three years?
3. For those who left, what percentage left due to issues pertaining to services provided by your organization?
4. What is the average client relationship duration?
5. Describe your organization's commitment to quality and your philosophy/approach to client services.
6. Describe your procedures for monitoring client and participant satisfaction.
7. Describe your service/timing standards for the following services.
 - Confirmation of toll-free phone transactions
 - Contributions
 - Distributions, including loans
 - Investment Exchanges
 - Plan Sponsor Activity Reports
 - Quarterly Participant statements
8. Do you guarantee service performance? If so, please describe.

Implementation

1. Describe the team that will deal directly with the Plan Sponsor during the transition and on an ongoing basis. Indicate number of staff, titles and experience. Indicate number of staff available for on-line group & individual meetings.
2. Describe the process used to ensure that the implementation is successful and that key milestones are achieved.
3. Describe the process that will be used to evaluate the quality of the Plan Sponsor's participant census data, and your capacity to scrub the data to make it useful to your systems. Include a discussion of the factors you consider when pricing this service, if it is not offered as a part of your fee quote.

4. Please provide a checklist and proposed time-table for the implementation of the following services for a typical plan implementation of this scale:
 - Prepare your system to accommodate the plan document
 - Census gathering and importing into your system
 - Employee communication and education
 - Trial payroll / contribution run
 - Administration and record keeping
 - Custodial/Trustee services
5. Include a description of the role and responsibilities of the Plan Sponsor as a participant in all of the above.
6. Will you guarantee your stated implementation time frame and adjust fees if the original dates agreed upon are not met?
7. What administrative activities will remain a responsibility of the Plan Sponsor after implementation is completed?
8. Describe the logistics of enrolling employees, both at start-up and on-going.

Recordkeeping / Administration

1. Do you provide one main contact for the daily administrative needs of this plan? If team, indicate number of staff on a team.
2. Do you provide “true” daily valuation? Describe in detail how your system allocates earnings.
3. What methods of data transmission are available?
4. Describe in detail how your system processes contributions including automation and length of time.
5. Describe in detail, including timing, how your system processes withdrawals (i.e. in-service and hardship withdrawals).
6. Describe in detail, including timing, how your system processes:
 - lump-sum distributions
 - systematic payments/installments
 - annuities
 - rollovers to another plan or an IRA
 - required minimum distributions (RMDs)
7. What options are available to terminated/retired participants?
8. Describe in detail how your system processes transfers/exchanges including frequency/limitations (exchange percent and/or dollar). Are confirmations sent?
9. Describe your process and methods of rebalancing including frequency options (quarterly, semiannually and/or annually).
10. Can employer and employee contributions be tracked separately? If so, can multiple employer contributions be tracked separately as well?

11. Describe in detail your system's vesting capability. How many different schedules can your system support?
12. Describe in detail how your system handles Federal and State tax reporting (i.e. Form 1099-R, 1098, etc.). Do you provide tax form preparation and filing?
13. Describe in detail how you administer Qualified Domestic Relations Orders (QDROs).
14. What checks and balances do you have in place to ensure transactional integrity?
15. Do you provide an administration manual?
16. Will you record keep non-proprietary investment vehicles? Describe the process and systems used.
17. Do you have paperless loan capabilities? If so, describe.
18. Describe the flexibility in your loan repayment processing (i.e., additional payments, multiple loans, missed payments).
19. How do you handle delinquent and/or defaulted loans including notification?
20. What responsibility does the Plan Sponsor retain for initial and ongoing loan servicing?
21. Describe any other features and/or limitations of the loan system not detailed above (i.e., loan modeling, amortization scheduling, etc.)
22. How do you inform the Plan Sponsor when a loan has been authorized?
23. How do you inform the Plan Sponsor when a loan has been paid off?
24. Is your system capable of handling Roth contribution record keeping?
25. Will you record keep a plan expense account, an account to collect revenue sharing allowances used to off-set plan expenses?
26. What capabilities does your system offer for collecting fees from the plan and plan participants?
 - a. One-time invoice to the plan
 - i. Pro-rata
 - ii. Per capita
 - b. On-going expenses
 - i. Pro-rata
 - ii. Per-capita

Regulatory Services

1. Describe your capabilities for the following:
 - Annual addition limitations: 415(c)
 - Monitoring of elective deferrals: 402(g)
 - Roth contribution record keeping
2. How do you address violations for any of the testing covered in question 1? Do corrections result in additional fees?
3. Will you administer and/or record keep our plan utilizing our own attorney drafted and maintained plan document? If so, how would that affect your fee structure?
4. What, if any, fiduciary responsibility does your organization assume?
5. How do you keep Plan Sponsors informed and updated on any regulatory and legislative changes?
6. Describe any past or pending litigation, within the last 5 years, relating to the services you are proposing.

Reporting

1. Describe the standard reporting package that you would provide the Plan Sponsor as well as the medium(s) used (provide samples) to provide:
 - Plan-specific Information:
 - Account Activity for the Statement Period:
 - Consolidated Investment Activity:
 - Transaction Activity:
 - Participant Account List
2. Describe any customized or ad hoc reporting capabilities including Internet capabilities.
3. Describe your standard participant level statements or provide a sample.
4. Describe your customization capabilities for participant level statements.
5. Can reports/statements be produced on other media? Please describe.
6. What is the standard timeframe for providing each report after the reporting period ends?

Voice Response System (VRS), Internet Access and Call Center

Voice Response System

1. Describe the services available through your voice response system.
2. How are transactions processed? How are transactions documented? Are confirmations sent?
3. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
4. Describe the level of customization available within your VRS.
5. What are the standard hours of operation?
6. Are there any transactions that cannot be processed through the voice response system?
7. Is the menu easy for participants to use? Does it include “help” information? *Please describe the structure in detail.*
8. Can a participant elect to move from the VRS to a service representative? When and what services are available?
9. How often is the data on the VRS updated? How does the VRS interface with the recordkeeping system?
10. Does a participant have an option for language other than English? What language(s)?

Internet Access (Please provide access information to your demo site)

Currently, all of Kansas City, Kansas Public Schools' health and welfare benefits programs are available via CBIZ' benefits portal, CBIZ Solutions. This website is specifically designed with KCKPS' benefit programs, providing benefit highlights, costs and summary plan descriptions, etc. Each year, employees are required to re-enroll on line to elect their benefits during open enrollment. It is our desire for all prospective vendors to be able to work with CBIZ to, at a minimum, capture salary deferral election changes to feed to our payroll system. Ultimately, we desire to have informational data either on the website or via a direct link that will allow the employee to complete the entire enrollment process and access their account information, etc.

Please keep this information in mind as you answer the questions below.

1. Describe the account services and transaction capabilities available through your participant website.
2. How are website transactions processed and documented? Are transaction view capabilities available?
3. Are there any transactions that cannot be processed through your website?
4. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).

5. Describe the level of customization available for clients using your internet services.
6. What are the standard hours of account access and transactional availability?
7. If a participant elects to move from the website to a call center service representative, describe the interface between the website and the service representative.
8. How often is the data on the website updated? How does the website interface with the recordkeeping system?
9. Please identify your website account access and transactional availability statistics (average availability per month as a percentage).

Call Center

1. Please identify your toll-free service center standards. Please include for each of the last three calendar quarters, statistics related to actual performance.
 - Number of calls
 - Average length of calls
 - Average response time
 - Percentage of calls requiring follow-up
 - Call abort rate
 - Percentage of incoming calls totally handled via VRS versus toll-free live service center representative assistance
 - Percentage of service requests handled via website versus call center and VRS
2. What training is provided to toll-free call center representatives before they are allowed to handle incoming calls? Are they securities registered?
3. Do you monitor and/or tape toll-free calls?
4. What are your case management procedures for calls that have service issues?
5. What information is available to toll-free service representatives to allow them to effectively answer participant questions?
6. What are the hours of operations for your call centers?
7. Do you have multi-lingual call center representatives? What languages?
8. What are the backup sites to the primary call center that the plan participants and sponsor will use?

Communication and Education

Education has been challenging for the District. With 50 locations, coordination of on-site group meetings has been non-existent. The District has allowed the Principals at each site to determine the frequency, method and length of any on-site vendor visits'. Certain employment contracts prohibit use of planning times for personal use. If meetings are held, they are not mandatory and are generally held before or after school hours on personal time.

With this in mind, we would like for your firm to recommend a multi-pronged educational program that will cater to the newly eligible, the mid-career and late-career participant; encompassing the sophisticated and un-sophisticated investor that you believe would best suit our needs.

1. Briefly describe your background and experience in providing communication and education programs.
2. Describe separately your initial and ongoing communication and education program (including printed material, visits, training, etc.). If the program is tailored to a specific Plan Sponsor need, identify the critical issues to be determined in designing such a program.
3. Do you provide personnel resources as part of both the initial and ongoing communication and education program?
4. Describe the process you use to help Plan Sponsors measure the effectiveness of employee education efforts.
5. Does your organization provide any services (i.e., personal questionnaires, software) that would help individual participants with financial planning?
6. Describe any electronic education tools you provide, both software-based and web-based.
7. Describe your position on providing investment advice to participants. What fiduciary responsibility do you assume if advice is provided?
8. If advice is offered, is it in-house or via a third party? Describe your process, mode and scope of advice. Note any additional cost for this service in the ancillary section of the cost proposal.
9. Describe education tools or programs designed to support IRA rollovers and/or retirement distributions.
10. Describe your ability to customize enrollment/education materials and costs associated with any material customizations.
11. Do you provide communication and education materials in a foreign language? If so, please specifically describe the communication and education pieces / services available / available languages.

Systems Capabilities and Hardware

Currently, all of Kansas City, Kansas Public Schools' health and welfare benefits programs are available via CBIZ' benefits portal, CBIZ Solutions. This website is specifically designed with KCKPS' benefit programs, providing benefit highlights, costs and summary plan descriptions, etc. Each year, employees are required to re-enroll on line to elect their benefits during open enrollment. It is our desire for all prospective vendors to be able to work with CBIZ to, at a minimum, capture salary deferral election changes to feed to our payroll system. Ultimately, while not required, we desire to have informational data either on the website or via a direct link that will allow the employee to complete the entire enrollment process and access their account information, etc.

Please keep this information in mind as you answer the questions below.

1. Describe the hardware platform and software system you use to record keep and administer 403(b) and 457(b) plans.
2. Describe the method of maintaining Plan Sponsor and participant history on the system.
3. Describe your system's maximum limits with regards to the following:
 - investment funds
 - money types/sources
 - loans
 - transfers
6. Is your system proprietary?

Investments

1. Discuss your organization's ability to provide investment vehicles for 403(b) and 457(b) plans. Be sure to disclose if you are providing these vehicles in-house or through external managers.
2. How long have you been providing investment services?
3. Please identify the number and types of investment vehicles you would make available to the plan.
4. Is there limitation to the number of investments the plan may offer to participants?
5. For each individual investment vehicle available through your platform, provide:
 - inception date,
 - name of the investment, share class, and portfolio manager,
 - the investment vehicle objective,
 - current and historical rates on any stable value, or guaranteed investment accounts (go back 3 years from December 31, 2007). Indicate the frequency with which the rate will change going forward,
 - the expense structure (including any loads, load waivers, management fees, other expenses, 12b-1 fees, fee subsidies, etc.),
 - historical annualized performance (include ytd, 1-year, 3-year, 5-year, and 10-year (or since inception)) as of December 31, 2007
 - the comparative index(s) used by the manager, and
 - any withdrawal provisions (including restrictions on transfers).
6. Does your organization offer a self-directed brokerage window as a potential investment option? Please fully describe the service and fees associated with the administration of the brokerage accounts.
7. Does your organization offer a managed account option for plan participants? Please fully describe the service, management style, operational procedures and fees associated with the administration of the managed accounts. Provide detailed information about the money manager and affiliation to you.
8. Please describe your organization's due diligence process for selecting and monitoring investment options offered in your investment platform.
9. Provide a "sample" investment lineup used in your pricing proposal?

Trustee Services

1. Will you allow the Plan Sponsor to self-trustee the plan?
2. Will you act as or provide availability to trustee services?
3. Will you work with an independent trustee?
4. If you provide Trustee Services, what are your fiduciary responsibilities?
5. Describe “checks and balances” employed in your trust accounting system.
6. Will you trustee outside investment funds?
7. Do you provide information to plan participants regarding options on distributions?
8. Do you have a limit on the number of checks/wires available to participants who rollover their distributions?
9. Is your trust accounting system integrated with your recordkeeping system?

457 Plan Capabilities

1. Does your organization provide 457 Plan administrative services? If so, please indicate the number of plans you administer, how long you've been in the 457 Plan business, the value of 457 plan assets currently under management and the number of plan participants for whom you provide 457 plan services.
2. How will Plan Sponsor and its participants benefit from your organization providing services for both the 403(b) Retirement Program and the 457 Plan?
3. Can your organization provide combined statements for the 403(b) and 457(b) plans?
4. Will your organization monitor contribution limits, administer distributable events and provide a reasonable outsourced solution for 457(b) administration?

Section 5 – Cost Proposal

Cost/Expense Proposal

To avoid any unanticipated fees, the pricing proposed by your organization should be all inclusive. In-depth description of services and associated costs must be provided in the pricing section of your response. Each vendor is to determine the reasonable expected amount of potential plan transfer of assets from existing vendors and be able to substantiate those estimates based upon the education methods in which the District has indicated to be acceptable and best for their participants. Mandatory on-site meetings, and/or one-on-one access in lunch rooms, etc. is not an acceptable method.

Indicate the individual and overall estimated costs per participant of your proposed solutions for the participants in these plans. Indicate the statistics relied upon for the estimates, including how the statistics are used. Describe the key assumptions made in developing the fees. Include all spreadsheets or other tools used to calculate your proposed costs. Provide cost comparisons for both scenarios referenced in Section 3.

Specify all fees relating to implementation, conversion, data scrubbing and maintenance of the existing plan. As previously indicated, maximum fees must be guaranteed for three year – with the possibility of reduction as appropriate. Indicate the number of years for which these fees are guaranteed. Where appropriate, express per employee charge and/or asset charge and on an annual basis.

Be sure to include any fees associated with the following:

- a) Overall startup cost, including:
 - requirement definition and data scrubbing,
 - implementation team operations,
 - historical data conversion, and
 - any other (please describe)
- b) Ongoing annual cost, including:
 - plan administration,
 - general consulting regarding compliance issues and regulatory changes
 - nondiscrimination testing
 - investment management charges (your funds, alliance funds, outside funds, transaction charges, other charges),
 - hardware/software customization/education,
 - distribution processing
 - QDRO administration, and
 - any other (please describe).

c) Ancillary

1. Per hour charges and when applicable for items such as:

- communications,
- plan design,
- general consulting,
- system redesign due to plan provision changes
- development of nonstandard management reports,
- development of customized participant statements,
- data imaging, and
- any other (please describe)
- investment advice

2. Pass-through charges for items such as:

- postage,
- phone line charges,
- phone usage fees,
- travel expenses,
- hardware,
- facilities and overhead,
- staffing, and
- any other (please describe).

Include hourly or per diem rates you will charge for support services not included in your standard maintenance contract.

d) Identify if the expenses noted above are:

- One-time or on-going
- Breakpoint impacted
- Participant paid (direct or account adjusted)
- Plan Sponsor paid (billed and billing frequency)
- Guaranteed, if so, length
- Absorbed in determining daily investment share/unit value

1. What are the factors you consider in determining future increases and when they are to occur?
2. Are there additional charges made at the time of plan changes we initiate or legislated or regulated changes? Please address the differences should we use a prototype or individually designed plan.
3. How are expenses adjusted if a sizable number of participants are added or removed from the plan (such as either acquisition or divestiture or partial plan termination)?
4. Based on the investment lineup used for your pricing proposal, disclose revenue sharing assumptions.
5. Does revenue ever result in a refund back to the plan?

6. As indicated previously, compensation of \$25,000 annually (paid in quarterly installments) for an independent investment advisor shall be included in your proposal. Please explain the methods in which other advisor/broker may be compensated by the plan if deemed necessary by your firm. How will this affect pricing?
7. Does your firm require that we work with a proprietary advisory/broker exclusively?
8. If yes to question 7 above, may multiple advisors/brokers be added to the plan – only one advisor/broker per participant? For example, Participant 1 may have Joe Broker as an advisor and Participant 2 may have Jane Broker as an advisor. Can the record keeping system handle a scenario in which Joe Broker is paid from Participant 1's account and Jane Broker is paid from Participant 2's account?

Section 6 – References

Following the proposal submission due date, proposals will be screened in order to establish a group of finalist. The finalist will then be required to provide references who we may contact.

- Five current clients who have similar characteristics
- Three former clients; those who have terminated your services within the last two years for reasons other than merger or acquisition.

**RECOMMENDED PORTFOLIO
AS OF SEPTEMBER 30, 2009**

| | PERFORMANCE / EXPENSE | | | | | |
|--|------------------------------|---------------|---------------|----------------|----------------------|---------------------|
| | 1 Year | 3 Year | 5 Year | 10 Year | Expense Ratio | % Allocation |
| STABLE VALUE | | | | | | |
| BOND | | | | | | |
| BALANCED/LIFESTYLE | | | | | | |
| LARGE CAP (VALUE, BLEND & GROWTH) | | | | | | |
| MID CAP (VALUE & GROWHT) | | | | | | |
| SMALL CAP (VALUE & GROWTH) | | | | | | |
| FOREIGN | | | | | | |
| REAL ESTATE | | | | | | |
| WEIGHTED RETURN / EXPENSE | 0.00% | 0.00% | 0.00% | | 0.00% | 0.00% |

Past performance is no guarantee of future returns. Returns are net of all operating expenses and not net of asset expenses. The estimate of weighted return is based upon an actual allocation. Note, actual returns will be a function of the investment options selected by participants. Returns are net of all operating expenses and not net of asset expenses.

Kansas City, Kansas Public Schools 403b and 457b

| Vendor | 403(b) Plan | | | | 457(b) Plan | | | |
|----------------------------------|-------------------|-------------------------|--------------------------------|------------------|-------------------|----------------------|--------------------------------|------------------|
| | # of Participants | Plan Assets | Estimated Annual Contributions | MVA or Surrender | # of Participants | Plan Assets | Estimated Annual Contributions | MVA or Surrender |
| American Century | 145 | \$ 4,826,848.37 | \$ 417,466.80 | Not Provided | | | \$ 48,610.80 | |
| American Fidelity Assurance Co. | Not Provided | Not Provided | \$ 3,960.00 | Not Provided | | | | |
| 403b ASP | Not Provided | Not Provided | \$ 95,965.20 | Not Provided | | | | |
| Ameriprise Financial | 32 | \$ 1,030,307.95 | \$ 121,294.80 | \$ 24,894.15 | | | | |
| AXA Equitable | 387 | \$ 1,014,869.14 | \$ 567,626.40 | Not Provided | | | | |
| First Investors | 174 | \$ 1,799,841.93 | \$ 165,204.00 | Not Provided | 13 | \$ 17,561.91 | \$ 12,840.00 | Not Provided |
| ING | 56 | \$ 425,996.09 | \$ 95,340.00 | \$ 9,519.65 | | | | |
| Lincoln Financial Group | 97 | \$ 4,404,634.65 | \$ 78,489.60 | \$ 6,238.53 | | | | |
| MetLife Resources & MetLife Inv. | Not Provided | Not Provided | \$ 89,130.00 | Not Provided | | | | |
| Security Benefit Corp. | 58 | \$ 2,502,000.00 | \$ 60,398.40 | \$ 14,225.00 | | | | |
| AIG VALIC | 457 | \$ 12,420,801.49 | \$ 643,714.80 | Not Provided | 57 | \$ 596,301.90 | \$ 96,256.80 | Not Provided |
| Waddell & Reed | 59 | \$ 2,175,067.38 | \$ 123,692.40 | Not Provided | | | \$ 1,200.00 | |
| Forrest T. Jones | Not Provided | Not Provided | \$ 4,524.00 | Not Provided | | | | |
| Horace Mann | 55 | \$ 237,536.15 | \$ 23,460.00 | \$ 8,095.50 | | | | |
| Kansas City Life Insurance | 16 | \$ 360,985.59 | \$ 10,956.00 | \$ 1,026.87 | | | | |
| TOTALS | | \$ 31,198,888.74 | \$ 2,501,222.40 | | | \$ 613,863.81 | \$ 110,296.80 | |