



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER
CPR10032

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF
KRISTA FERRELL 804-558-2596

RFQ COPY  
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

CONSOLIDATED PUBLIC RETIREMENT BOARD  
 BUILDING 5, ROOM 1000  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0720 558-3570

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
08/09/2010				

BID OPENING DATE: 09/15/2010 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		961-20		
<p>THIRD PARTY ADMINISTRATION OF TEACHER'S RETIREMENT</p> <p>REQUEST FOR PROPOSAL (RFP)</p> <p>THE WEST VIRGINIA STATE PURCHASING DIVISION FOR THE AGENCY, THE WEST VIRGINIA CONSOLIDATED PUBLIC RETIREMENT BOARD, IS SOLICITING PROPOSALS FOR THIRD PARTY ADMINISTRATION OF THE WEST VIRGINIA TEACHER'S DEFINE CONTRIBUTION RETIREMENT SYSTEM PER THE ATTACHED SPECIFICATIONS.</p> <p>A MANDATORY PRE-BID WILL BE HELD ON AUGUST 18, 2010 AT 1:00 PM AT THE AGENCY'S LOCATION AT 4101 MACCORKLE AVE. SE IN CHARLESTON, WV. (KANAWHA CITY). ALL INTERESTED PARTIES ARE REQUIRED TO ATTEND THIS MEETING. FAILURE TO ATTEND THE MANDATORY PRE-BID SHALL RESULT I DISQUALIFICATION OF THE BID. NO ONE PERSON MAY REPRESENT MORE THAN ONE BIDDER.</p> <p>AN ATTENDANCE SHEET WILL BE MADE AVAILABLE FOR ALL POTENTIAL BIDDERS TO COMPLETE. THIS WILL SERVE AS THE OFFICIAL DOCUMENT VERIFYING ATTENDANCE AT THE MANDATOR PRE-BID. FAILURE TO PROVIDE YOUR COMPANY AND REPRESENTATIVE NAME ON THE ATTENDANCE SHEET WILL RESULT IN DISQUALIFICATION OF THE BID. THE STATE WILL NOT ACCEPT ANY OTHER DOCUMENTATION TO VERIFY ATTENDANCE. THE BIDDER IS RESPONSIBLE FOR ENSURING THEY HAVE COMPLETED THE INFORMATION REQUIRED ON THE ATTENDANCE</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

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**GENERAL TERMS & CONDITIONS**  
**REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
  2. The State may accept or reject in part, or in whole, any bid.
  3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
  4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
  5. Payment may only be made after the delivery and acceptance of goods or services.
  6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
  7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
  8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
  9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
  10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
  11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
  12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
  13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at [www.state.wv.us/admin/purchase/vrc/hipaa.htm](http://www.state.wv.us/admin/purchase/vrc/hipaa.htm) and is hereby made part of the agreement. Provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
  14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
  15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
  16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.
- I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



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 KRISTA FERRELL  
 304-558-2596

VENDOR

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 1900 KANAWHA BOULEVARD, EAST  
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<p>SHEET. THE PURCHASING DIVISION AND THE STATE AGENCY WILL NOT ASSUME ANY RESPONSIBILITY FOR A BIDDER-S FAILURE TO COMPLETE THE PRE-BID ATTENDANCE SHEET. IN ADDITION, WE REQUEST THAT ALL POTENTIAL BIDDERS INCLUDE THEIR E-MAIL ADDRESS AND FAX NUMBER.</p> <p>ALL POTENTIAL BIDDERS ARE REQUESTED TO ARRIVE PRIOR TO THE STARTING TIME FOR THE PRE-BID. BIDDERS WHO ARRIVE LATE, BUT PRIOR TO THE DISMISSAL OF THE TECHNICAL PORTION OF THE PRE-BID WILL BE PERMITTED TO SIGN IN. BIDDERS WHO ARRIVE AFTER CONCLUSION OF THE TECHNICAL PORTION OF THE PRE-BID, BUT DURING ANY SUBSEQUENT PART OF THE PRE-BID WILL NOT BE PERMITTED TO SIGN THE ATTENDANCE SHEET.</p> <p>TECHNICAL QUESTIONS CONCERNING THIS SOLICITATION MUST BE SUBMITTED IN WRITING TO KRISTA FERRELL IN THE WEST VIRGINIA STATE PURCHASING DIVISION VIA MAIL AT ADDRESSED LISTED IN THE BODY OF THIS DOCUMENT, VIA FAX AT 304-558-4115, OR VIA EMAIL AT KRISTA.S.FERRELL@WV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS AUGUST 25, 2010 AT THE CLOSE OF BUSINESS. ANY TECHNICAL QUESTIONS RECEIVED WILL BE ANSWERED BY FORMAL ADDEUNDUM ISSUED BY THE PURCHASING DIVISION AFTER THE DEADLINE HAS LAPSED.</p> <p>EXHIBIT 10</p> <p style="text-align: right;">REQUISITION NO.: .....</p> <p>ADDENDUM ACKNOWLEDGEMENT</p> <p>I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.</p>						

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ADDENDUM NO. 'S:						
NO. 1 .....						
NO. 2 .....						
NO. 3 .....						
NO. 4 .....						
NO. 5 .....						
I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.						
VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.						
..... SIGNATURE						
..... COMPANY						
..... DATE						
NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID						

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LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>REV. 09/21/2009</p> <p>EXHIBIT 3</p> <p>LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON AWARD AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICE SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST</p>						

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CONSOLIDATED PUBLIC RETIREMENT BOARD  
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<p>ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>REV. 05/26/2009</p> <p style="text-align: center;">NOTICE</p> <p>A SIGNED PROPOSAL MUST BE SUBMITTED TO</p> <p style="text-align: center;">DEPARTMENT OF ADMINISTRATION          PURCHASING DIVISION          BUILDING 15          2019 WASHINGTON STREET, EAST          CHARLESTON, WV 25305-0130</p> <p>COST PROPOSAL SHOULD BE SEALED IN A SEPARATE ENVELOPE AND CLEARLY MARKED AS "COST PROPOSAL".</p> <p>THE RFP SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE RFP MAY NOT BE CONSIDERED:</p>						

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LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
SEALED PROPOSAL						
BUYER:				KRISTA FERRELL-FILE 21		
RFP. NO.:				CPR10032		
RFP TECHNICAL OPENING DATE:				09/15/2010		
RFP TECHNICAL OPENING TIME:				1:30 PM		
**COST OPENING WILL BE SCHEDULED UPON THE COMPLETION OF THE TECHNICAL PORTION OF THE RFP.						
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR PROPOSAL:						
-----						
CONTACT PERSON (PLEASE PRINT CLEARLY):						
-----						
***** THIS IS THE END OF RFQ CPR10032 ***** TOTAL:						_____

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**REQUEST FOR PROPOSAL**  
**The West Virginia Consolidated Public Retirement Board**  
**RFP# CPR10032**

**PART 1 GENERAL INFORMATION**

**1.1 Purpose:**

The Acquisition and Contract Administration Section of the Purchasing Division hereinafter referred to as "State" is soliciting proposals for the Consolidated Public Retirement Board, "Agency" for a vendor to provide full third party administrator (TPA) services (Services) for the West Virginia Teachers Defined Contribution Retirement System Plan (TDC Plan). The Services include providing administrative services, recordkeeping, customer service, communication, education, investment options, reporting and such related matters as desired by the Agency.

**1.2 Project:**

The mission or purpose of the project is to secure for the TDC Plan, a firm who will offer full TPA Services in a daily valued 401(a) governmental defined contribution money purchase pension plan.

**1.3 RFP Format:**

This RFP has five parts. "Part 1" contains general information, terms and conditions; "Part 2" describes the background and working environment of the project, "Part 3" is a statement of the mandatory specifications for the services requested pursuant to this RFP, contractual requirements, special terms/conditions and the additional desirable options that the Agency would like to have available from the vendor, and "Part 4" explains the required format of the Bidder's response to the RFP, the evaluation criteria the State will use in evaluating the proposals received, and how the evaluation will be conducted. Various forms and data are included in the Appendix.

**1.4 Inquiries:**

Additional information inquiries regarding specifications of this RFP must be submitted in writing to the State Buyer with the exception of questions regarding proposal submission which may be oral. The deadline for written inquiries is identified in the Schedule of Events, Section 1.16. All inquiries of specification clarification must be addressed to:

Krista Ferrell, Buyer Supervisor  
2019 Washington Street, East  
P.O. Box 50130  
Charleston, WV 25305-0130  
Fax: (304) 558-4115



**The vendor, or anyone on the vendor's behalf, is not permitted to make any contact whatsoever with any member of the evaluation committee with the exception of the current vendor regarding daily business activities.** Violation may result in rejection of the bid. The State Buyer named above is the sole contact for any and all inquiries after this RFP has been released.

**1.5 Vendor Registration:**

Vendors participating in this process should complete and file a **Vendor Registration and Disclosure Statement** (Form WV-1) and remit the registration fee. Vendor is not required to be a registered vendor in order to submit a proposal, but the **successful bidder must** register and pay the fee prior to the award of an actual purchase order/contract.

**1.6 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 State personnel is **not** binding. Only the information issued in writing and added to the Request for Proposal specifications file by an official written addendum are binding.

**1.7 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.

**1.8 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.

**1.8.1 Mandatory Requirements.**

Any specification or statement containing the word "must", "shall, or "will" are mandatory. Part 3 contains mandatory deliverables required upon contract execution. By signing and submitting a response to this RFP, the vendor agrees to all mandatory deliverables described herein. Part 4 describes RFP response requirements, which may be mandatory. The vendor is required to meet all mandatory requirements in order to be eligible for consideration and to continue in the evaluation process. Failure to meet or agree to 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 any mandatory specification shall be at the sole discretion of the State.

**1.8.2 Contract Terms and Conditions:**

This Request for Proposals contains all the contractual terms and conditions

under which the State of West Virginia will enter into a contract.

**1.8.3 Informational Sections:**

All non-mandatory information specifications 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 agency.

**1.9 Proposal Format and Submission:**

1.9.1 Each proposal must be formatted as per the outline in Part 4 of this RFP. No other arrangement of the proposal information may be made by the bidder. 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 State reserves the right to waive any informalities in the proposal format and minor irregularities.

1.9.2 State law requires that the original technical and the original cost proposal be submitted to the Purchasing Division. All proposals must be submitted to the Purchasing Division **prior** to the date and time stipulated in the RFP as the opening date. All bids will be date and time stamped to verify official time and date of receipt.

1.9.3 Vendors mailing proposals should allow sufficient time for mail delivery to ensure timely arrival. In accordance with West Virginia Code §5A-3-11, the Purchasing Division cannot waive or excuse late receipt of a proposal which is delayed and late for any reason. Any proposal received after the bid opening date and time will be immediately disqualified in accordance with State law and the administrative rules and regulations.

**Vendors responding to this RFP shall submit:**

Technical and cost proposals in separate envelopes. One original, twenty (20) convenience copies and a complete copy on CD of the technical proposal in one envelope; and one original and a complete copy of the cost proposal on separate CDs to:

Purchasing Division  
2019 Washington Street, East,  
P.O. Box 50130  
Charleston, WV 25305-0130

The outside of the envelope or package(s) should be clearly marked:

Buyer: Krista Ferrell  
Req#: CPR20032  
Opening Date: 09/15/2010  
Opening Time: 1:30 pm

#### 1.9.4. Best Value Purchasing Standard Format

All requests for proposals shall follow the standard format defined by the Purchasing Division. This format addresses required areas and enables the agency to modify the background and scope of work to meet its needs.

1.9.4.1 *Evaluation Criteria:* All evaluation criteria must be clearly defined in the specifications section and based on a 100 point total score. Based on a 100-point total, cost shall represent a minimum of 30 of the 100 total points in the criteria.

1.9.4.2 *Proposal Format and Content:* Proposals shall be requested and received in two distinct parts: Technical and Cost. **The cost portion of your proposal (form included in this RFP in the Appendix) shall be sealed in a separate envelope and will not be opened initially.**

1.9.4.3 *Technical Bid Opening:* The Purchasing Division will open only the technical proposals on the date and time specified in the Request for Proposal. The Purchasing Division representative will read aloud the names of those who responded to the solicitation. The Purchasing Division Buyer will confirm that the original packages contain a separately sealed cost proposal prior to providing the courtesy copies to the Agency to begin the evaluation process.

1.9.4.4 *Technical Evaluation:* The approved evaluation committee will review the Technical Proposals, deduct appropriate points for deficiencies and make a written consensus recommendation to the Purchasing Division Buyer.

Vendors scoring at least 70% of the 60 points assigned for the Technical Proposal will be invited to make oral presentations in Charleston, West Virginia. Oral presentations will be scored and the scores for the Technical Proposal and the oral presentations will be combined. The evaluation committee will make a written consensus recommendation to the Purchasing Division Buyer.

If the Buyer approves the committee's recommendation, the technical evaluation will be forwarded to an internal review committee within the Purchasing Division.

1.9.4.5 *Cost Bid Opening:* Upon approval of the technical evaluation from the internal review committee, the Purchasing Division shall schedule a time and date to publicly open and read aloud the cost proposals. The Agency and the vendors shall be notified of this date.

1.9.4.6 *Cost Evaluation and Resident Vendor Preference:* The evaluation committee will review the cost proposals, assign appropriate points and make a final consensus recommendation to the Purchasing Division. In accordance with West Virginia Code §5A-3-37, the Purchasing Division will make the determination of the Resident Vendor Preference, if applicable. Resident Vendor Preference provides an opportunity for qualifying vendors to request at the time of bid preference for their residency status. Such preference is an

evaluation method only and will be applied only to the cost bid in accordance with the West Virginia Code. A certificate of application is used to request this preference. A West Virginia vendor may be eligible for two 2.5% preferences in the evaluation process.

1.9.4.7 *Contract Approval and Award:* After the cost proposals have been opened, the evaluation committee completes its review and prepares the final evaluation making its recommendation for contract award based on the highest scoring vendor. The final evaluation is submitted to the Purchasing Division buyer. Once approved by the buyer, the final evaluation must be reviewed and approved by the Purchasing Division internal review committee. The contract is prepared and signed in the Purchasing Division, forwarded to the Attorney General's Office for approval as to form, encumbered and mailed to the appropriate parties.

1.9.4.8 *Proposal Firm:* Proposals shall remain in effect for a period of 180 days.

1.9.4.9 *Exceptions:* Any exception to the terms and conditions of this RFP or any addenda thereto and any proposed agreement must be submitted in the Miscellaneous Section of the Technical Proposal and must comply with the laws, rules, regulations and policies of the State, the requirements of this RFP, and the WV-96 (see Appendix). The proposal submitted shall not be contingent upon the Agency's acceptance of any offered exception, proposed revision or any term or condition found objectionable by the Agency. The Agency has no obligation to accept or negotiate terms and conditions with the Vendor.

#### 1.10 **Rejection of Proposals:**

The State shall select the best value solution according to the evaluation criteria. However, the State reserves the right to accept or reject any or all proposals, in part or in whole at its discretion. The State reserves the right to withdraw this RFP at any time and for any reason. Submission of or receipt by the State of proposals confers no rights upon the bidder nor obligates the State in any manner.

A contract based on this RFP and the Vendor's proposal, may or may not be awarded. Any contract resulting in an award from this RFP is not valid until properly approved and executed, by the Purchasing Division and approved as to form by the Attorney General.

#### 1.11 **Incurring Costs:**

The State and any of its employees or officers shall not be held liable for any expenses incurred by any bidder responding to this RFP for expenses to prepare, deliver the proposal, or to attend any mandatory pre-bid meeting or oral presentations.

#### 1.12 **Addenda:**

If it becomes necessary to revise any part of this RFP, an official written addendum

will be issued by the State to all bidders of record.

**1.13 Independent Price Determination:**

A proposal will not be considered for award if the price in the proposal was not arrived at independently without collusion, consultation, communication, or contract as to any matter relating to prices with any competitor unless the proposal is submitted as a joint venture.

**1.14 Price Quotations:**

The price(s) quoted in the bidder's proposal will not be subject to any increase and will be considered firm for the life of the contract unless specific provisions have been provided for adjustment in the original contract.

**1.15 Public Record:**

*1.15.1 Submissions are Public Record.*

All documents submitted to the State Purchasing Division related to purchase orders or contracts are considered public records. All bids, proposals, or offers submitted by bidders shall become public information and are available for inspection during normal official business hours in the Purchasing Division Records and Distribution center after the bid opening.

*1.15.2 Written Release of Information.*

All public information may be released with or without a Freedom of Information request, however, only a written request will be acted upon with duplication fees paid in advance. Duplication fees shall apply to all requests for copies of any document. Currently the fees are \$0.50/page, or a minimum of \$10.00 per request whichever is greater.

*1.15.3 Risk of Disclosure.*

The only exemptions to disclosure of information are listed in West Virginia Code §29B-1-4. Primarily, only trade secrets as submitted by a bidder are exempt to public disclosure. The submission of any information to the State by a vendor puts the risk of disclosure on the vendor. The State does not guarantee non-disclosure of any information to the public.

**1.16 Schedule of Events:**

Release of the RFP.....	08/06/10
Vendor's Written Questions Submission Deadline.....	08/25/10
Mandatory Pre-bid Conference .....	08/18/10
Addendum Issued .....	week of 08/23/10
Bid Opening Date .....	09/15/10
Oral Presentation.....	TBD

**1.17 Mandatory Pre-bid Conference:**

A mandatory pre-bid conference shall be conducted on the date specified above

at 1:30 PM. Said conference will be held at the West Virginia Consolidated Public Retirement Board, Board Conference Room, 4101 MacCorkle Avenue SE, Charleston, West Virginia 25304. **All interested bidders are required to be present at this meeting. Failure to attend the mandatory pre-bid conference shall automatically result in disqualification. No one person can represent more than one vendor.**

**Conference Call Participation:** Vendors may opt to participate by conference call. The phone number to call is 1-800-244-2500 with a participant code of 3394905#. Vendors participating via conference call are required to sign in. Each conference call vendor will be asked to provide a fax number at the beginning of the call and a copy of the pre-bid attendee list will be faxed. Vendors must complete the sign in sheet and return via fax upon receipt. If sign in sheet is not received prior to the end of the call, the vendor is not considered to be signed in at the meeting. Vendors are required to remain in attendance for the duration of the call. The State of West Virginia is not responsible for any technical problems experienced by the vendor in participation in this meeting via conference call.

**Copies of the pre-bid attendee list will be made available to all vendors as a part of the addendum to be issued after the deadline for submission of technical questions.**

**1.18 Purchasing Affidavit:**

West Virginia State Code §5A-3-10a(3)(d) requires that all bidders submit an affidavit regarding any debt owed to the State. The affidavit must be signed and submitted prior to award. It is preferred that the affidavit be submitted with the proposal.

**1.19 General Terms and Conditions:**

By signing and submitting its proposal, the successful Vendor agrees to be bound by all the terms contained in this RFP.

*1.19.1 Conflict of Interest:*

Vendor affirms that it, its officers or members or employees presently have no interest and shall not acquire any interest, direct or indirect, which would conflict or compromise in any manner or degree with the performance or its services hereunder. The Vendor further covenants that in the performance of the contract, the Vendor shall periodically inquire of its officers, members and employees concerning such interests. Any such interests discovered shall be promptly presented in detail to the Agency.

*1.19.2 Prohibition Against Gratuities:*

Vendor warrants that it has not employed any company or person other than a bona fide employee working solely for the vendor or a company regularly

employed as its marketing agent to solicit or secure the contract and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of the contract.

For breach or violation of this warranty, the State shall have the right to annul this contract without liability at its discretion or to pursue any other remedies available under this contract or by law.

*1.19.3 Certifications Related to Lobbying:*

Vendor certifies that no federal appropriated funds have been paid or will be paid, by or on behalf of the company or an employee thereof, to any person for purposes of influencing or attempting to influence an officer or employee of any Federal entity, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative contract, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative contract, the Vendor shall complete and submit a disclosure form to report the lobbying.

Vendor agrees that this language of certification shall be included in the award documents for all sub-awards at all tiers, including subcontracts, sub-grants, and contracts under grants, loans, and cooperative contracts, and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this contract was made and entered into.

*1.19.4 Vendor Relationship:*

The relationship of the Vendor to the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents.

Vendor shall be responsible for selecting, supervising and compensating any and all individuals employed pursuant to the terms of this RFP and resulting contract. Neither the Vendor, nor any employees or contractors of the vendor, shall be deemed to be employees of the State for any purposes whatsoever.

Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, and licensing fees, etc. and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including but not limited to the foregoing payments, withholdings, contributions, taxes, social security taxes and employer income tax returns.

The Vendor shall not assign, convey, transfer or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association or entity without expressed written consent of the Agency.

*1.19.5 Indemnification:*

The Vendor agrees to indemnify, defend and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person or firm performing or supplying services, materials or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statutes or regulations; and (3) Any failure of the Vendor, its officers, employees or subcontractors to observe State and Federal laws, including but not limited to labor and wage laws.

*1.19.6 Contract Provisions:*

After the successful Vendor is selected, a formal contract document will be negotiated and executed between the State and the Vendor. In addition, the RFP and the Vendor's response will be included as part of the contract by reference. The order of precedence is the contract, the RFP and the Vendor's proposal in response to the RFP.

*1.19.7 Governing Law:*

This contract shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable laws and regulations, Federal, State and Local Government.

*1.19.8 Compliance with Laws and Regulations:*

The vendor shall procure all necessary permits and licenses to comply with all applicable laws, Federal, State or municipal, along with all regulations, and



ordinances of any regulating body.

The Vendor shall pay any applicable sales, use or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract, the transaction, or the equipment, or services delivered pursuant here to shall be borne by the contractor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract.

*1.19.9 Subcontracts/Joint Ventures:*

The Vendor is solely responsible for all work performed under the contract and shall assume prime contractor responsibility for all services offered and products to be delivered under the terms of this contract. The State will consider the Vendor to be the sole point of contact with regard to all contractual matters. The Vendor may, with the prior written consent of the State, enter into written subcontracts for performance of work under this contract; however, the vendor is totally responsible for payment of all subcontractors.

*1.19.10 Term of Contract & Renewals:*

This contract will be effective (date set upon award) and shall extend for the period of five (5) years, at which time the contract may, upon mutual consent, be renewed. Such renewals are for a period of up to one (1) year, or until such reasonable time thereafter as is necessary to obtain a new contract. The "reasonable time" period shall not exceed twelve (12) months. During the "reasonable time" period Vendor may terminate the contract for any reason upon giving the Agency ninety (90) days written notice. Notice by Vendor of intent to terminate will not relieve Vendor of the obligation to continue to provide services pursuant to the terms of the contract.

Any change in Federal or State law, or court actions which constitute binding precedent in West Virginia, and which significantly alters the Vendor's required activities or any change in the availability of funds, shall be viewed as binding and shall warrant good faith renegotiation of the compensation paid to the Vendor by the Agency and of such other provisions of the contract that are affected. If such renegotiation proves unsuccessful, the contract may be terminated by the State upon written notice to the Vendor at least thirty (30) days prior to termination of this contract.

*1.19.11 Non-Appropriation of Funds:*

If the Agency is not allotted funds in any succeeding fiscal year for the continued use of the service covered by this contract by the West Virginia Legislature, the Agency may terminate the contract at the end of the affected current fiscal period without further charge or penalty. The Agency shall give the vendor written notice of such non-allocation of funds as soon as possible after the Agency receives notice. No penalty shall accrue to the Agency in the event this provision is exercised.

#### 1.19.12 *Contract Termination:*

The State may terminate any contract resulting from this RFP immediately at any time the Vendor fails to carry out its responsibilities or to make substantial progress under the terms of this RFP and resulting contract. The State shall provide the Vendor with advance notice of performance conditions which are endangering the contract's continuation. If after such notice the Vendor fails to remedy the conditions contained in the notice, within the time period contained in the notice, the State shall issue the Vendor an order to cease and desist any and all work immediately. The State shall be obligated only for services rendered and accepted prior to the date of the notice of termination.

The contract may also be terminated by the State within thirty (30) days prior notice.

#### 1.19.13 *Changes:*

If changes to the original contract become necessary, a formal contract change order will be negotiated by the State, the Agency and the Vendor, to address changes to the terms and conditions, and costs of work included under the contract. An approved contract change order is defined as one approved by the Purchasing Division and approved as to form by the West Virginia Attorney General's Office, encumbered and placed in the U.S. Mail prior to the effective date of such amendment. An approved contract change order is required whenever the change affects the payment provision or the scope of the work. Such changes may be necessitated by new and amended Federal and State regulations and requirements.

As soon as possible after receipt of a written change request from the Agency, but in no event more than thirty (30) days thereafter, the Vendor shall determine if there is an impact on price with the change requested and provide the Agency a written statement identifying any price impact on the contract or to state that there is no impact. In the event that price will be impacted by the change, the Vendor shall provide a description of the price increase or decrease involved in implementing the requested change.

**NO CHANGE SHALL BE IMPLEMENTED BY THE VENDOR UNTIL SUCH TIME AS THE VENDOR RECEIVES AN APPROVED WRITTEN CHANGE ORDER.**

#### 1.19.14 *Invoices, Progress Payments, & Retainage:*

The Vendor shall submit invoices, in arrears, to the Agency at the address on the face of the purchase order labeled "Invoice To" pursuant to the terms of the contract.

#### 1.19.15 *Liquidated Damages:*

According to West Virginia State Code §5A-3-4(8), Vendor agrees that liquidated

damages shall be imposed in the amounts specified in the Performance Standards provided in the Appendix for failure to provide deliverables or failure to meet specified deadlines. This clause shall in no way be considered exclusive and shall not limit the State or Agency's right to pursue any other additional remedy to which the State or Agency may have legal cause for action including further damages against the Vendor.

*1.19.16 Record Retention (Access & Confidentiality):*

Vendor shall comply with all applicable Federal and State of West Virginia rules and regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by Vendor. The Vendor shall maintain such records a minimum of five (5) years and make available all records to Agency personnel during normal business hours upon written request by Agency within ten (10) days after receipt of the request.

Vendor shall have access to private and confidential data maintained by Agency to the extent required for Vendor to carry out the duties and responsibilities defined in this contract. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State and Agency against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractors or individuals permitted access by Vendor.

## **PART 2 OPERATING ENVIRONMENT**

### **2.1 Location:**

The West Virginia Consolidated Public Retirement Board is located at 4101 MacCorkle Avenue SE, Charleston, West Virginia 25304.

### **2.2 Background:**

The West Virginia Consolidated Public Retirement Board (Agency) was created by the West Virginia Legislature in 1990. The Agency is responsible for the administration of state retirement plans for educational employees, public employees, judges, and public safety personnel with the exclusion of some higher education plans. Although the Agency administers many retirement systems, the assets and the administration of each retirement system remain separate and distinct. This request for proposal (RFP) is for the Teachers Defined Contribution Retirement System Plan (TDC Plan) only.

The Teachers' Defined Contribution Retirement System (TDC Plan) was established July 1, 1991, to replace the Teachers' Retirement System (TRS) as the sole retirement system available for new hires of the fifty-five county boards of education and certain higher education employees.

Effective June 30, 2005, the TDC Plan was closed to new members. See Appendix for copy of West Virginia Code §18-7B-1 et seq.

Since the TDC Plan's establishment, legislation has allowed various windows for members who met certain criteria to transfer between the two retirement systems. However, the most recent and largest window allowed more than 15,000 members to transfer to the TRS effective July 1, 2008.

Today, the Agency manages the two retirement plans available for teachers and school service personnel, the TRS Plan and the TDC Plan. The TDC Plan (for which the TPA Services are needed) currently has approximately 5,800 members with more than \$250 million in assets.

In general, the TDC Plan is a multiple employer qualified money purchase pension plan under section 401(a) of the Internal Revenue Code (IRC) and is made tax-deferred under section 414(h) of the IRC. The TDC Plan allows the member to direct the investment of the combined employee and employer contributions among a wide array of investment options. Retirement benefits in the TDC Plan are based solely on the member's vested account balance, which is the accumulated employee contributions plus the vested employer contributions, if any, plus net earnings on those funds at the time of retirement or termination of employment.

The West Virginia Code mandates eligible employees covered by the TDC Plan to contribute 4.5% of their gross compensation and their employers to contribute 7.5% of covered employees' gross compensation to the member's account. The member's account is segregated between member and employer portions. Employer contributions for each employee become vested on a schedule. Prior to the completion of six years of service a member is 0% vested. At six years of service, the member becomes 1/3 vested, at 9 years of service the member becomes 2/3 vested and at 12 years of service the member becomes 100% vested. A member's service in the TDC Plan always counts towards vesting, even if withdrawn and not reinstated in accordance with TDC Plan provisions.

The TDC Plan does not permit loans and makes no provision for "hardship" withdrawals. The Plan Document is contained within West Virginia Code §18-7B. The Investment Policy attached in the Appendix is a proposed draft.

Currently each member is assessed a quarterly administrative fee of \$15 which is deducted from the employer portion of the account unless that account is exhausted, in such cases the fee will then be deducted from the employee portion of the account. The quarterly administrative fee and other revenues are used to pay the costs of the current vendor, Great West, and of the Agency.

At the close of the last three calendar years, Plan assets were:

PLAN ASSETS	2007	2008	2009
Beginning Balance	\$ 816,287,038	\$ 932,736,430	\$ 204,202,376
Contributions	85,271,816	60,509,201	19,179,751
Withdrawals	(19,900,404)	(711,963,170)	(6,967,462)
Change in Value	51,077,980	(77,080,086)	37,420,683
Ending Balance	\$ 932,736,430	\$ 204,202,376	\$ 253,835,350
Number of Accts	21,670	6,057	5,691

The current investment options available to members and the assets in each as of December 31, 2009 are:

Fund	Ticker	Ending Balance
Vanguard Money Market Prime Portfolio	VMMXX	\$ 15,834,069
PIMCO Total Return Fund – Admin	PTRAX	\$ 40,715,531
Franklin Income Fund – A	FKINX	\$ 24,510,230
American Funds Growth Fund A	AGTHX	\$ 16,852,625
BlackRock Large Cap Value A	MDLVX	\$ 36,967,967
Federated Max-Cap Institutional	FISPX	\$ 16,566,982
Rainier Small/Mid Cap Equity Fund	RIMSX	\$ 3,674,836
Columbia Small Cap Core Fund – Z	SMCEX	\$ 4,567,213
American Funds EuroPacific A	AEPGX	\$ 8,709,988
Conservative Profile Portfolio	N/A	\$ 11,634,029
Moderate Profile Portfolio	N/A	\$ 3,574,980
Aggressive Profile Portfolio	N/A	\$ 8,180,003
VALIC Fixed Annuity Option	N/A	\$ 62,046,897
<b>Total</b>		<b>\$ 253,835,350</b>

### Composition of Current TDC Plan Profile Funds

Conservative Profile Fund:		
Bond	PIMCO Total Return Fund- Admin	55%
Money Market	Vanguard Prime Money Market	15%
International	American Funds - EuroPacific A	10%
Large Cap	BlackRock Large Cap A	10%
Mid Cap	Ranier Small/Mid Cap Equity-Portfolio	5%
Small Cap	Columbia Funds Small Cap Fund – Z	5%

100%
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<b>Moderate Profile Fund:</b>		
Bond	PIMCO Total Return Fund-	35%
International	American Funds - EuroPacific A	20%
Large Cap	BlackRock Large Cap A	15%
Mid Cap	Ranier Small/Mid Cap Equity-Portfolio	15%
Small Cap	Columbia Funds Small Cap Fund – Z	10%
Money Market	Vanguard Prime Money Market	5%
		100%

<b>Aggressive Profile Fund:</b>		
International	American Funds - EuroPacific A	30%
Large Cap	American Funds Growth Fund – A	20%
Mid Cap	Ranier Small/Mid Cap Equity-Portfolio	20%
Small Cap	Columbia Funds Small Cap Fund – Z	20%
Bond	PIMCO Total Return Fund-	10%
		100%

The VALIC fixed income annuity has a floor rate of return of 4.5% per annum. At this time, the Agency plans to continue permitting contributions to the VALIC annuity. In the event the successful Vendor can offer an investment option that provides a better rate of return, with comparable risk, in its proposal or in the future, the Agency will consider closing the VALIC annuity to new contributions and/or transferring the TDC Plan assets from the VALIC annuity.

The following is a general Plan overview:

<b>Provisions</b>	<b>West Virginia Teachers Defined Contribution Retirement System (TDC Plan)</b>
Plan Type	IRC Section 401(a) Money Purchase Plan, 414(h) tax deferred Not subject to ERISA
Participating Employers	55 county public school systems, the State Department of Education, School Building Authority, River Valley Child Development Services, the Schools for the Deaf and Blind, and some higher education institutions
Administrative Structure	Bundled

Number of payroll feeds to Agency	61
Number of active employees	Approximately 4000
Number of participants	Approximately 5800

Plan Assets	See this Section 2.2
Managed Accounts	Reality Investment Service
Plan year	July 1-June 30
Member contributions	4.5 % of each member's gross compensation (tax-deferred)
Employer contributions	7.5 % of each member's gross compensation
Deposit frequency	Twice a month, for example: 15 <sup>th</sup> & 31 <sup>st</sup> or 10 <sup>th</sup> & 25 <sup>th</sup>
Participant directed	Yes
Rollovers	To other qualified plans and IRAs
Vesting of employer contributions	0% with less than 6 complete years of service 33 1/3% with at least 6 complete years of service, but less than 9 66 2/3% with at least 9 complete years of service, but less than 12 100% with at least 12 complete years of service
In-service withdrawals	No
Loans	No
Payout elections	May be deferred until RMD date
Current TPA	Great West Retirement Services
Current valuation frequency	Daily
Payout Options	Lump sum Rollover to an IRA or other qualified plan Periodic Payment Various annuity options with three vendors to select among All payouts must be approved by the Board / TDC Plan
Current TPA Fees	\$45 per participant per year
Current Participant Fees	\$15 per quarter
Investment management and related fees	Netted from investment return; some of the mutual funds provide reimbursements including 12(b)1, commissions, and shareholder fees to offset administrative expenses
Frequency of participant statements	Quarterly (based upon calendar quarters)

Current Customer Service Hours	8:30 AM to 8:00 PM Eastern Time (ET)
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For more information about the Agency and the Plan, see Agency's website at [www.wvretirement.com](http://www.wvretirement.com).

### 3.1 **Minimum Requirements:**

Vendor shall have the following minimum qualifications in order to submit a proposal:

- 3.1.1 Be authorized to do business in and with the State of West Virginia,
- 3.1.2 Be licensed, capable and authorized to provide full TPA Services,
- 3.1.3 Have at least five (5) years experience in providing TPA Services for IRC 401(a) plans,
- 3.1.4 Administer at least one 401(a) plan with assets of at least \$500 million and of similar complexity as the TDC Plan, and
- 3.1.5 Administer or have under management at least \$10 billion in assets.

### 3.2 **Scope of Work:**

#### 3.2.1 *General:*

The TPA shall:

- 3.2.1.1 Provide TPA Services in accordance with this RFP and the agreement and purchase order issued by the Purchasing Division, which shall include excellent administrative services and recordkeeping; customer service; excellent communication and education; diversified and highly rated investment options; transition services; and timely reporting and compliance.
- 3.2.1.2 Act as a fiduciary for the TDC Plan.
- 3.2.1.3 Comply with all applicable federal and state laws, rules, regulations and policies and with all components of this RFP.
- 3.2.1.4 Not offer products or services to participants not expressly authorized in writing by the Agency.



- 3.2.1.5 Monthly fully disclose all fees received.
- 3.2.1.6 Negotiate on behalf of the Agency for refunds and rebates.
- 3.2.1.7 Prohibit vendor employees providing TPA Services to the Agency from receiving asset-based compensation, such as commissions, bonuses or other incentive compensation.
- 3.2.1.8 Not require any termination, withdrawal or transfer charges or restriction (including market value adjustments) throughout the term of the contract and upon transfer to a successor vendor unless specified in writing signed by both parties. The only exceptions are a stable value fund or for early withdrawals from a fixed maturity or other structured investment products with a clearly defined investment period that if shortened would jeopardize the strategy and benefits to longer-term investors.
- 3.2.1.9 Deduct the quarterly fee specified by the Agency from participants' accounts and remit to the Agency.

### 3.2.2 *Staffing, Administrative Services and Recordkeeping:*

TPA shall:

- 3.2.2.1 Provide a sufficient number of properly licensed, trained and qualified representatives to provide the TPA Services.
- 3.2.2.2 Notify the Agency immediately of the termination or reassignment of personnel who are primary contacts for the TDC Plan.
- 3.2.2.3 Attend Agency and Agency Committee meetings as requested and report on Plan operations and activities.
- 3.2.2.4 Provide recordkeeping system capable of maintaining 401(a) plan participant and related data with quality controls that ensure proper reporting and reconciliation.
- 3.2.2.5 Provide sufficient security to protect Plan data in transit, storage and cache. In the event of any unauthorized breach/access, theft or release of Plan data, immediately notify the Agency.
- 3.2.2.6 Provide daily valuation of investments.

- 3.2.2.7 Credit contributions to Participant accounts and invest the funds on day of receipt.
- 3.2.2.8 Provide distribution payment options authorized by the Agency and related counseling.
- 3.2.2.9 The TPA shall make an annuity shopping service available with a minimum of three (3) vendors. The TPA will use its best efforts to provide replacement vendors within one hundred and eighty (180) days. There will not be a default vendor. The Participant must select the vendor. Further, the TPA will provide the TDC Plan with procedures to follow in purchasing annuities with all vendors within the annuity shopping service.
- 3.2.2.9 TPA shall maintain three administrative accounts for the Plan:
- a. The Revenue Sharing Account will be used for the deposit of all administrative fees deducted from participants accounts as well as all 12(b)1 , commissions and shareholder service fees paid to the TDC Plan by mutual funds. These funds will be used to pay the administrative expenses of the TDC Plan. Transfers from the Revenue Sharing Account will be made by ACH to the depository bank for the West Virginia Treasurer's Office. All administrative costs, including fees paid to the TPA, will be paid through the West Virginia Auditor's and Treasurer's Offices as required by state law.
  - b. The Error Correction account will be used to hold funds resulting from correction of error by employers and others. Funds from this account will be refunded or otherwise used as directed by the Agency.
  - c. The Suspense Account will be used to hold employer contributions by the individual participants who were not fully vested at the time of withdrawal. Suspense funds must be tracked by participant name and a unique identifier such as social security number in order to allow for the identification of funds to individual participants. The funds held in the individual participant's name shall become forfeiture funds at the culmination and expiration of the five (5) year period and shall be reported on an annual forfeiture report as of March 31<sup>st</sup> of that year to the TDC Plan.

### 3.2.3 *Customer Service, Communication and Education:*

TPA shall:

- 3.2.3.1 Acknowledge your agreement that Participant data is confidential and the sole property of the Agency.
- 3.2.3.2 Acknowledge your agreement that Participant data may not be used in any way to market other products and may not be sold, licensed, transferred, made available or disclosed without the express prior written consent of the Agency.
- 3.2.3.3 Provide a customer service center with toll-free telephone service and appropriate staffing that meets all performance standards established by the Agency.
- 3.2.3.4 Provide all forms, materials and reports required and approved by the Agency as necessary or desirable for Plan operation in electronic and paper formats.
- 3.2.3.5 Process benefit distribution, including required notices, payments, tax withholding and reporting and issuing 1099R's.
- 3.2.3.6 Conduct on-site and one-on-one education and counseling. At a minimum each member must be contacted at least once per year and offered a one-on-one education and counseling session.
- 3.2.3.7 Conduct ongoing retirement planning education and distribution counseling in each of the 9 regions of the state in accordance with the regional education services agency centers on a quarterly basis.
- 3.2.3.8 Process all qualified domestic relations orders (QDROs) approved by the Agency.
- 3.2.3.9 Maintain separate accounts for pre-tax eligible rollovers.
- 3.2.3.10 Provide for required minimum distributions at age 70 ½.
- 3.2.3.11 Allow the Agency, at its expense, to audit the TPA's performance, records, reports, invoices and other materials for periodic audit upon ten (10) business days notice from commencement of the contract and for a period of five (5) years after contract termination.
- 3.2.3.12 Accept full responsibility for processing errors it makes and report errors made within a reasonable period of time. In the event a participant incurs a loss or a lost opportunity due to an

error by the vendor, the vendor shall make the participant whole by adjusting the participant's account to the same position or level as if the error had not occurred unless the adjustment would not be beneficial to the participant.

- 3.2.3.13 Provide an interactive voice response system.
- 3.2.3.14 Provide a custom website for the TDC Plan, which will include educational tools and materials, account access, investment options and reports. The website address shall be the property of the Agency.
- 3.2.3.15 Provide a process for the purchase of service credits authorized by the Plan.
- 3.2.3.16 Maintain separate accounts for reinstatements made with after tax dollars.

#### 3.2.4 *Investments:*

TPA shall:

- 3.2.4.1 Provide a wide spectrum of investment options without loads, based on best of class, and that best meet the needs of the members and beneficiaries of the TDC Plan. (Agency will not accept options that include proprietary funds only and may require the TPA to use certain funds.)
- 3.2.4.2 Provide managed account services.
- 3.2.4.3 For each investment option offered, an electronic version of the prospectus and performance information will be available on the TDC Plan's website provided by the Vendor.
- 3.2.4.4 Make investment election changes and investment transfers daily.
- 3.2.4.5 Not impose any limitations such as a maximum number of changes, contribution investment transfers or elections. However, the TDC Plan will consider an excessive trading policy.
- 3.2.4.6 Provide written confirmation of changes to Participant accounts within two days of the change.
- 3.2.4.7 Comply with the requirements of the current VALIC

agreement which is contained in the Appendix.

3.2.5 *Transition:*

TPA shall:

- 3.2.5.1 Provide a thorough and flawless transition that minimizes the impact on members and provides excellent education and counseling.
- 3.2.5.2 Provide a working plan that facilitates the transition.
- 3.2.5.3 Provide accurate conversion of data.

3.2.6 *Reporting and Compliance:*

TPA shall:

- 3.2.6.1 Provide timely and helpful Participant statements for each calendar quarter.
- 3.2.6.2 Provide quarterly reviews of each investment option, including performance and other information which may affect the investment, compliance with the Investment Policy in effect and any recommendations as to placing the investment on "watch" or to replacing the investment.
- 3.2.6.3 Report quarterly on its results in comparison to the performance standards attached in the Appendix within thirty (30) days following the end of the quarterly reporting period.
- 3.2.6.4 Provide confirmations of any financial transaction.
- 3.2.6.5 Provide quarterly reports to Agency summarizing Plan assets and Participant account balances, investment returns and ratings, receipts, disbursements and balances.
- 3.2.6.6 Provide annual plan reviews focusing on individual members of the Plan to assess the member's retirement goals.
- 3.2.6.7 Enable the Agency and participants to obtain reports and confirmations electronically.
- 3.2.6.8 Confirm that all liability for withholding and reporting for tax purposes will be the responsibility of the company.

- 3.2.6.9 Provide a compact disc containing quarterly Participant statements with social security number within (10) business days after the actual mailing and/or in the format mutually agreed.
- 3.2.6.10 Annual Actuarial Report – This report will be provided at the end of each TDC Plan year and will include data from the full year. The report will be provided in a text format (.txt) in order to allow for the utilization of the data by our actuaries. The report will use the following layout:

Field Places	Description		
001-009	Social Security Number	I9	
010-032	Surname	A23	Left Adjusted
033-050	First Name	A18	Left Adjusted
051-058	Date of Birth	2I2,I4	mmddyyyy
059-059	Sex	A1	M or F
060-067	Member start date with TPA	2I2,I4	mmddyyyy
068-075	Last Contribution Deposit Date	2I2,I4	mmddyyyy
076-076	EOY Status	A1	A-active / T-term
077-084	Termination date (if term)	2I2,I4	mmddyyyy
085-091	Vesting Service years.fraction	F7.3	
092-098	Defined Benefit Service years.fraction	F7.3	
099-108	BOY Member Account Balance	F10.2	
109-118	BOY Employer Account Balance	F10.2	
119-128	BOY Total Account Balance	F10.2	
129-138	Member Contribution for Year	F10.2	cash basis
139-148	Employer Contribution for Year	F10.2	cash basis
149-158	Rollovers Completed	F10.2	
159-168	Withdrawals Completed	F10.2	positive entry
169-178	EOY Member Account Balance	F10.2	
179-188	EOY Employer Account Balance	F10.2	
189-198	EOY Total Account Balance	F10.2	

Note that the file has headings.

BOY = Beginning of Plan Year

EOY = Ending of Plan Year

Investment earnings are not broken out but reflected in EOY balances.

### 3.3 Technical Proposal – 70 points

**Only proposals meeting mandatory requirements will be evaluated.**

All documents or forms requested should be provided in a separate document to your proposal labeled "Miscellaneous" in the order requested.

In providing responses, restate each question in bold face type with your response directly below. Keep responses clear and concise. Your proposal will be incorporated as part of the contract between your company and the Agency.

Vendor must demonstrate its ability to provide the TPA Services offered in its proposal. Do not presume the State or Agency knows your work.

### 3.3.1 Organization, Qualifications & Experience

#### 3.3.1.1 Organization

3.3.1.1.1 Provide the following information for your Firm:

- (a) Name,
- (b) Mailing address,
- (c) Corporate address,
- (d) Telephone number, and
- (e) Primary Contact, including telephone number, fax number, and email address.

3.3.1.1.2 Briefly discuss your organization, including, without limitation, its structure, ownership (direct and indirect), control, history, line of business, staffing numbers, pending contract(s) to merge or sell any portion of your company, any changes in senior management in the last three years, and other information that will assist in evaluating your firm.

3.3.1.1.3 Provide an organization chart for your firm (particularly noting the areas that will be working on the TDC Plan).

3.3.1.1.4 Disclose any information about your firm, its employees or its agents which could be considered a material conflict of interest, or potential material conflict of interest with the Agency or the State of West Virginia.

3.3.1.1.5 Discuss any alliance arrangements you have with any investment or money management firms and a brief description of the terms of the arrangement.

- 3.3.1.1.6 Discuss any investigation, charge, litigation, arbitration or settlement in the last two (2) years involving your firm providing any of the TPA Services contemplated by this RFP.
- 3.3.1.1.7 Disclose any bankruptcy or insolvency proceedings or any assignment for the benefit of creditors by your firm.
- 3.3.1.1.8 State the name of the entities which have rated your firm and the current rating from each entity.
- 3.3.1.1.9 Describe your Errors and Omissions insurance, Directors and Officers Liability Insurance and Fiduciary Liability Insurance, including the carriers and limits.
- 3.3.1.1.10 List your current ratings by nationally recognized rating agencies. Discuss whether there have been any rating downgrades in the last five (5) years.
- 3.3.1.1.11 Discuss any infusion of cash your firm has received since July 1, 2008, including amount, source and purpose.
- 3.3.1.1.12 Provide a copy of your most recent audited financial statements and SAS 70 Report.

3.3.1.2 Qualifications & Experience

- 3.3.1.2.1 Briefly describe the scope and length of your experience with public sector retirement plans.
- 3.3.1.2.2 Complete the following charts using data as of December 31, 2009:

(a) By plan type, list the percentage of total business based upon assets under management:

PLAN TYPE	FULL SERVICE	INVESTMENT ONLY	ADMINISTRATION ONLY
401(a)			
457			
403(b)			
401(k)			



(b) By plan type, list the number of clients:

PLAN TYPE	# PRIVATE SECTOR CLIENTS		# PUBLIC SECTOR CLIENTS	
	PRIMARY BENEFIT	SUPPLEMENTAL BENEFIT	PRIMARY BENEFIT	SUPPLEMENTAL BENEFIT
401(a)				
457				
403(b)				
401(k)				

(c) By plan type, indicate the assets under management:

PLAN TYPE	ASSETS OF \$0 - \$100 MILLION	ASSETS OF \$100 - \$500 MILLION	ASSETS OF \$500 MILLION - \$1 BILLION	ASSETS OF \$1 BILLION PLUS
401(a)				
457				
403(b)				
401(k)				

(d) By plan size, indicate your number of clients:

Plan Size by Participants	401(a) PLANS	457 PLANS
Under 5,000		
5,000 to 9,999		
10,000 to 24,999		
25,000 and over		
Total		

3.3.1.2.3 Discuss three (3) of your current engagements comparable to a potential engagement with the Agency or that demonstrate the ability of your firm to provide TPA Services for the Agency. Each entity listed will be contacted as references. Include the following information:

- (a) Entity name,
- (b) Address,
- (c) Contact person,

- (d) Telephone number,
- (e) Email address,
- (f) Length of relationship and if it is current,
- (g) Services provided (as required in this RFP),
- (h) Number of Participants,
- (i) Annual Deferral Amounts,
- (j) Total Plan Assets as of December 31, 2009,  
and
- (k) Any other information you believe the Agency  
would find useful.

3.3.1.2.4 List any contracts terminated by a client for cause within the last five years, including the circumstances, and the name and telephone number of a contact person for that client.

3.3.1.2.5 List any contracts not renewed by a client within the last five years, including the circumstances and the name and telephone number of a contact person for that client.

3.3.1.2.6 As the Agency reserves the right to authorize or prohibit subcontracting or any joint venture, indicate whether the Services will be subcontracted to another company; fully describe these Services and the background and qualifications of the company that will provide the Services; and disclose and explain any affiliation with you.

### 3.3.2 Staffing, Administrative Services & Recordkeeping

#### 3.3.2.1 Staffing

3.3.2.1.1 Describe your company's proposed staffing plan for providing the TPA Services. Include the number of employees that will be assigned, their duties and a brief resume (including licenses) for each. Be sure to include individuals in your organization who would be primarily responsible for specific aspects of this engagement, including administrative services and recordkeeping; customer service, communication and education; investments; transition services; and reporting and compliance. For each, state how many other account/clients he or she would be assigned and backup.

- 3.3.2.1.2 Name the person who will have overall, hands on, account management responsibilities for the TDC Plan. Provide a resume for this individual including his or her qualifications, licensing, experience, and number of years with your company and primary work location. Include his or her address, contact information and current assignments, and state if his or her assignments would change if you are named the TPA.
- 3.3.2.1.3 Describe the size of an average defined contribution service team and team members' functions.
- 3.3.2.1.4 What has been your average senior staff turnover during the last three years? Describe your company's approach when there is turnover on the project team.
- 3.3.2.1.5 Provide a listing of the representatives who will be providing counseling and education in the state of West Virginia and, if not already provided, a brief resume of each.
- 3.3.2.1.6 What is your company's policy for initial and ongoing training and licensing of service personnel? Differentiate by type of personnel, if applicable. Include a description of your required licensing program.
- 3.3.2.1.7 Do you have a continuing education program in place for your service representatives to stay current of program changes, changes in the law, and investments? If so, describe in detail and indicate if Plan staff may attend.
- 3.3.2.1.8 In the past five years, has anyone you plan to assign to work with the Agency ever been denied a license as an agent or broker or any other insurance license, been reprimanded, or had a license revoked or suspended? If so, please state the name of the person, event, date, cause and outcome.
- 3.3.2.1.9 Describe how your staff will assist the Agency in performing its due diligence.
- 3.3.2.1.10 Discuss staffing in the area that supports your VRS

and Internet systems. How many are programmers?

### 3.3.2.2 Record keeping

- 3.3.2.2.1 Fully describe your record keeping system, abilities and methodology. Please provide screen prints. Indicate whether your system offers Plan specific information, investment fund information and performance, investment fees, account balances, current participant information, change of address or status, reallocation of account balances, withdrawals/disbursements, beneficiary designation, PIN code changes, printable statements, confirmations, asset allocation modeling, retirement calculators and personal rate of return.
- 3.3.2.2.2 Describe quality control procedures in effect, including resolution of data discrepancies, ensuring timely compliance with all provisions of the Plan and government requirements and that all forms and authorizations are complete and on file.
- 3.3.2.2.3 Provide sample forms used for withdrawals, contributions, plan-to-plan transfers and confirmations.
- 3.3.2.2.4 Describe how your system processes and the time requirements for:
  - (a) Contributions
  - (b) Distributions (lump sum and other)
  - (c) Annuities
  - (d) Required minimum distributions
- 3.3.2.2.5 Describe how you ensure accurate conversion of all historical data.
- 3.3.2.2.6 Discuss how your system deals with vesting.
- 3.3.2.2.7 Discuss the ability of your system to separately track employer and member contributions.
- 3.3.2.2.8 Describe your procedures for ensuring that the Plan is in balance on a daily basis. Do you use share or unit accounting for daily valuations? Does the daily valuation accounting involve estimation? If so, how

often are accounts reconciled?

- 3.3.2.2.9 Describe your procedures for communicating purchase and sale directions (e.g., transfers, withdrawals, and rollovers).
- 3.3.2.2.10 Describe what information you maintain in a participant's account record.
- 3.3.2.2.11 Discuss how you conduct the allocation of contributions among investment options and reconciling individual participant contributions in accordance with the Plan's requirements and parameters, including a timeline of the process, time requirements on the receipt of NAV information and confirmation of the receipt of funds.
- 3.3.2.2.12 Discuss error corrections for:
- Contributions
  - Withdrawals/Distributions (both over- and under-payments)
  - Transfers
  - Allocation of earnings
  - Tax reporting
- State if error processing is manual or electronic.
- 3.3.2.2.13 Describe your procedures for reconciling the plan depository investment accounts and the information and statements that you will provide to the Agency.
- 3.3.2.2.14 Describe the procedures and time required for your company to transfer all or a portion of a participant's account balance in an investment option to another investment option. Give any minimum time guarantees you provide as well as your company policy on retroactively correcting any erroneous transfers. Affirm that if an erroneous contribution is due to your company's error, you will make the participant whole at your company's (and not the Plan's) expense, unless the adjustment would not be beneficial to the participant. Provide a complete timeline, including the terms and conditions under which you can provide a transfer at that day's purchase price. State if your system will process the

transfer of account balances by percent and by dollar amount.

- 3.3.2.2.15 Discuss how fund transfers are executed.
- 3.3.2.2.16 Discuss time cutoffs for investment companies in order to have contributions invested.
- 3.3.2.2.17 Clarify how you expect to process participant changes in investment elections.
- 3.3.2.2.18 Describe your processes for maintaining up-to-date beneficiary information.
- 3.3.2.2.19 Discuss your system edit process for:
- Member and employee contributions, both by source and investment
  - Applications and changes in status
  - Transfers
  - Withdrawals/Distributions
  - Tax forms, e.g., 1099Rs

Provide samples of the type of edit reports that would be issued for all of these transactions.

- 3.3.2.2.20 Discuss the training you provide in the use of the system, including frequency, provision of administrative manual with complete instructions on how to access and view such information and how to troubleshoot routine problems, and making available a representative to assist Agency staff in correctly obtaining access to the database and generating reports. Describe the capabilities and qualifications of that individual and what steps your firm will take in order to ensure that Agency staff can obtain resolution to problems on a timely basis.
- 3.3.2.2.21 Describe the arrangements under which your firm will provide the Agency staff on-line access to Plan reports and records. Describe the data that will be available to staff and provide copies of the data screens that staff will view. Indicate if you will apply or are capable of applying different restrictions to different accessing parties.

- 3.3.2.2.22 Indicate what legal and advisory services you will provide the Agency in administering its Plan in conformance with the appropriate laws and regulations. Indicate how you will review and inform the Agency of changes in the law and regulations and current legislation potentially impacting the Plan.
- 3.3.2.2.23 Discuss how you process QDROs and what you provide to members and alternate payees.
- 3.3.2.2.24 Discuss how you regularly gather the contribution and compensation data necessary for Section 415(c) IRC limit testing.
- 3.3.2.2.25 Describe and provide a sample of the administrative procedures and policies manual outlining all the administrative requirements as well as sample forms and instructions.
- 3.3.2.2.26 Describe how you handle audit documentation where paperless processing has occurred.
- 3.3.2.2.27 Describe the ability of your recordkeeping system to preclude new membership unless specifically authorized by the TDC Plan.
- 3.3.2.2.28 Describe the ability of your recordkeeping system to allow TDC Plan staff to modify non-financial members records, including:
- Annual service credit
  - Transferred service credit from the TRS Plan
  - Employment history
  - Synoptic data such as notices and flags
  - Date of Hire
- 3.3.2.2.30 Describe the ability of the recordkeeping system to interact or interface with the CPRB computer systems.

### 3.3.2.3 System Support and Changes

- 3.3.2.3.1 Indicate whether your record keeping system is owned by your company or subcontracted from another organization. If your company owns the system, was it originally purchased from an outside

vendor? If so, from whom? Is your company allowed to modify the system? If the system was not purchased, when was it first put into place and last updated?

3.3.2.3.2 Describe any pending system changes and proposed implementation dates. If the system is subcontracted, provide details of the arrangement and the name and qualifications of the organization.

3.3.2.3.3 How many individual defined contribution participant accounts are on your record keeping system?

3.3.2.3.4 Describe in detail any specific problems you foresee incorporating the TDC Plan into your record keeping system.

3.3.2.3.5 Describe your company's system maintenance, back up, security and disaster recovery procedures. Are files archived and stored at an off-site location? Have procedures been tested? When did you last perform a full-scale disaster recovery test and what were the results?

3.3.2.3.6 Describe your system's limitations with regards to investment options, money types, transfers, rollovers, rebalancing, reporting, etc.

#### 3.3.2.4 Distribution Services

3.3.2.4.1 List and describe all of the payment options your firm can make available to plan members.

3.3.2.4.2 Describe in detail the distribution counseling services that your representatives would be able to provide for members over the telephone and in person. Discuss how you communicate the different payment options. Provide samples of the written materials and applications that you would propose sending to members who have requested distribution information and samples of the forms that your firm uses for election of form of payment.

3.3.2.4.3 Describe how your representatives will assist members in completing distribution applications.



3.3.2.4.4 If forms are returned incomplete, discuss how the Plan will be notified to provide the missing information.

3.3.2.4.5 Discuss your ability to provide an annuity shopping service. For the annuities you offer, give the actual and guaranteed purchase rates per \$1,000 for the following payment options on December 31, 2007, 2008 and 2009. Provide purchase rates for a member age 55, 60, 62, and 65. For joint and survivor payment options assume that the spouse is the same age. Unisex rates are required.

- life with payout
- life
- 10 years certain
- 50 percent joint and survivor
- 100 percent joint and survivor

For the annuity purchase rates listed above, list the commissions, if any, your firm receives. Note that your firm must fully disclose all commissions paid for annuities purchased under the Plan.

3.3.2.4.6 Describe how you monitor the age 70-1/2 minimum distribution requirements and how you accommodate minimum distribution requirements for members who are still working.

3.3.2.4.7 Describe your firm's procedures for processing the termination or retirement of a member. Start with the date of a member's termination is reported to you and end with the receipt of the 1099R.

3.3.2.4.8 If a member calls to request a distribution prior to being reported as terminated what will they be told? What alternative processes can be implemented?

3.3.2.4.9 Describe how the appropriate Internal Revenue Service information returns are produced for distributions and subsequent reporting thereof. What controls are in place to ensure that both the federal and state tax tables are updated in the system timely to reflect the most current tax tables? What measures are taken to ensure that withholding tax calculations are correct?

- 3.3.2.4.10 Describe how your firm handles the direct rollover and notice requirements.
- 3.3.2.4.11 Participants may choose an electronic direct deposit as an alternative to receiving a check. Describe how the notification and processing is different under this payment option.

### 3.3.3 Customer Service, Communication and Education

#### 3.3.3.1 Plan Participant Satisfaction

- 3.3.3.1.1 Discuss how your company measures and evaluates plan participant satisfaction.
- 3.3.3.1.2 Discuss the frequency you propose evaluating Plan participant satisfaction, how Agency input will be included, and how the findings will be provided to the Agency.
- 3.3.3.1.3 Discuss how written and verbal complaints are handled and resolved within your organization. Describe your escalation procedures and your formal conflict resolution process.
- 3.3.3.1.4 Describe the safeguards you utilize to assure the Agency is informed of all serious or repetitive complaints regarding your company's performance, including how you notify the Agency.
- 3.3.3.1.5 Discuss how you will assure the Agency that education services you provide with regard to investments are impartial and unbiased.
- 3.3.3.1.6 Discuss how you will assure quality service from your subcontracted companies.

#### 3.3.3.2 Customer Service Center

- 3.3.3.2.1 Describe your customer service center, its location, number of operators and representatives, structure and hours.
- 3.3.3.2.2 Discuss where recordkeeping and administrative services for the Plan will be processed.

- 3.3.3.2.3 Discuss the security procedures you use at your customer service center to authorize transactions that the participant makes over the phone or via the internet.
- 3.3.3.2.4 Discuss the procedures for edits of transactions received by customer service center representatives and if they are performed "real-time." Provide sample report.
- 3.3.3.2.5 Discuss how customer service center representatives will be supporting the TDC Plan, including the number of representatives quoted as full time equivalents. Indicate why you believe this is an adequate number to properly administer the TDC Plan. Will these people be solely dedicated to the TDC Plan? If not, discuss how this will be handled.
- 3.3.3.2.6 Discuss how long, on average, it takes your company to respond to participant requests in writing, over the telephone and via the internet. Include a discussion on how you monitor response time and quality of the response and your commitment to the Agency regarding response time.
- 3.3.3.2.7 Describe your customer service staffing plan to deal with peak volume such as after the issuance of participant statements or a plan change.
- 3.3.3.2.8 Describe the toll-free telephone system you will provide and the interface that employees without touch telephone service will receive.
- 3.3.3.2.9 Do representatives have direct access to the record keeping system? If a participant exits your voice response system with a problem, do operators monitor the progress of the attempted transaction?
- 3.3.3.2.10 Describe the types of transactions your operators are permitted to accept from participants verbally and via the internet. Are participant calls recorded?
- 3.3.3.2.11 Discuss options for persons with disabilities, including available language services other than

English and Telecommunication Devices for the Deaf (TDD) services.

3.3.3.2.12 Provide the following statistics for your participant toll-free service line for the periods shown:

	Calendar Year 2008	Calendar Year 2009
Quality standard for Voice Recognition System (VRS) answer time in number of		
Average actual VRS answer time in number of seconds		
Quality standard for VRS downtime (% of hours)		
Average actual VRS downtime (% of hours per		
Quality standard for service representative downtime (% of available hours per month)		
Actual standard for service representative downtime (% of available hours per month)		
Quality standard for participant Internet downtime (% of hours per month)		
Average actual participant Internet downtime (%)		
Number of calls handled by VRS		
Number of calls received by service representatives		
Number of Service Representatives		
Number of participants served by service representatives		
Quality standard for number of participants per service representative		
Quality standard for minutes per day that a representative is on the phone		
Actual standard for minutes per day that a representative is on the phone		
Quality standard for number of seconds on hold while call transfers to service representative		

Average actual number of seconds on hold while call transfers to service representative		
Quality standard for call abandonment rate		
Actual call abandonment rate		
Quality standard for amount of time to call back with status on issue		
Average actual amount of time to call back with status on issue		
Quality standard for amount of time to handle issue resolution		
Actual average amount of time to handle issue resolution		
Frequency each service representative's calls are monitored by qualified supervisor		
Number of calls monitored by supervisor at frequency given above		
Number of internet hits received		
Number of participants with Internet access		

3.3.3.2.13 Confirm your company's ability to provide:

- (a) Average Speed of Answer (ASA) C guarantee that 85% of calls are answered within 90 seconds of the first ring.
- (b) Busy Rate C guarantees that less than 1% of calls receive a busy signal.
- (c) Abandoned Call Rate - guarantee that less than 5% of calls are not answered.

3.3.3.3 Voice Response and Internet Systems

- 3.3.3.3.1 Describe the interactive voice response (IVR) and Internet systems your company would provide, including system age and hours of accessibility. Discuss the security features in place to ensure only the correct participant is given personal information, system access controls, your Personal Identification Number (PIN) generation capabilities and on-going PIN administration capabilities, and if the IVR and

Internet systems are integrated in the recordkeeping system. Include information on the vendor providing your VRS and Internet access software and hardware and how many plans currently utilize these systems.

3.3.3.3.2 Describe the on-line inquiry and transactional capabilities your systems support, including the hours systems are available, routine maintenance periods (include statistics for the last twelve (12) months on down time other than routine system maintenance), and capabilities for inquiries and transactions. Specifically include how each of the following activities is supported:

- Account balance information
- Fund performance
- Account balance reallocations
- Investment allocation changes
- Distribution initiation
- Plan provision explanations/assistance
- Tax status information

3.3.3.3.3 Discuss the language options available for your system.

3.3.3.3.4 Describe the interface between the IVR and/or website if a participant elects to move from the IVR and/or website to a service representative.

3.3.3.3.5 How often is the data on the website updated?

3.3.3.3.6 How do the IVR and website interface with the recordkeeping system?

### 3.3.3.4 Communications & Education

3.3.3.4.1 Describe your communication and education services generally.

3.3.3.4.2 Provide samples of the visual and demonstrative aids that your company would prepare to communicate the TDC Plan as well as sample forms. Also provide samples of the general communication materials that you will distribute on a regular basis to employees and make generally available to employees. These

should include investment performance information (including comparative information to benchmarks), plan description booklets, information on retirement planning, payout distribution, quarterly statements, and quarterly statement stuffers.

- 3.3.3.4.3 Discuss the ability of your customer service representatives to answer participant questions on investment alternatives and provide participants with estimated retirement benefits.
- 3.3.3.4.4 Describe the materials or other support you will provide to educate participants about the use of your company's customer service center.
- 3.3.3.4.5 Describe any alternative education methods or resources you can offer to the TDC Plan participants (such as presentations on DVDs, on-line training, e-learning, etc.).
- 3.3.3.4.6 Provide an overview of an individual consultation, including frequency and location.
- 3.3.3.4.7 Discuss the subjects and contents of on-site group education.
- 3.3.3.4.8 How often will your representatives hold individual and group meetings?
- 3.3.3.4.9 Discuss your ability to customize forms and materials.

### 3.3.4 Investments

- 3.3.4.1 Discuss your ability to provide investment options for the TDC Plan, disclosing whether you would be providing the investments in-house or through external managers.
- 3.3.4.2 How long have you been providing investment services?
- 3.3.4.3 Discuss the number and types of investments you have available.
- 3.3.4.4 Review the draft Investment Policy and discuss your recommendations for revisions.
- 3.3.4.5 What is the name of your custodian and will it act as trustee

for all TDC Plan assets?

- 3.3.4.6 Discuss your screening process for selecting investment options to recommend to a client (and specifically the investment options you propose for the TDC Plan).
- 3.3.4.7 Discuss how you monitor and evaluate funds, including the ongoing monitoring of each fund and fund manager against the TDC Plan Investment Policy.
- 3.3.4.8 Discuss your proposed standards for putting an investment on "watch" status and for removing an investment from the list of options offered (including mapping).
- 3.3.4.9 Describe how you offer specific investment advice to individual participants and your associated fiduciary duties.
- 3.3.4.10 Discuss any "managed account" services you offer that enable a participant to pay a fee for the discretionary management of investments.
- 3.3.4.11 Complete the three (3) charts in the Appendix to demonstrate the investment options you propose (*Investment Options Proposed*). You do not have to propose an investment option for each category. Explain why you have chosen not to propose an investment option for any investment category.
- 3.3.4.12 Describe your company's ability to provide pre-assembled asset allocation, target and lifestyle/lifecycle funds.
- 3.3.4.13 If you propose use of a stable value fund:
  - 3.3.4.13.1 Describe the product, its structure, the current and minimum interest rate guarantees, how interest is credited, and the frequency of rate changes. Also provide the make-up of the underlying portfolio including asset type, grace and percentage breakdown, credit quality, credit quality minimum guarantee, average quality, average maturity, modified duration, liquidity percentage, and yield to maturity.
  - 3.3.4.13.2 Describe the methodology you use to calculate the interest rates, and when you will be able to provide the Agency a copy of your calculation.



- 3.3.4.13.3 Describe your company's methodology for enforcing equity wash and/or participant/aggregate level transfer restrictions. Indicate whether restrictions are monitored by your record keeping system or manually.
- 3.3.4.13.4 What is the current yield on your stable value fund?
- 3.3.4.13.5 What yield and terms do you offer to the Agency?
- 3.3.4.13.6 Describe the fund expense ratio for your stable value or equivalent fund, and confirm that you will not assess any market-value adjustments.
- 3.3.4.13.7 Discuss how the book to market differential will be handled should there be a termination of the contract prior to the end of the contract term.
- 3.3.4.13.8 In the event of bankruptcy, where do the investors in the stable value fund stand in line of creditors.
- 3.3.4.14 Specify and discuss your total weighted average revenue requirement.
- 3.3.4.15 Describe the investment options you propose be offered by completing the forms provided in the Appendix. Two forms require listing proposed investments by category, annual rates of return as of December 31, 2009, investment objective, inception date, manager, manager tenure, assets, expense ratio, revenue sharing, 12b-1 and any other fees. An additional form requires listing lifestyle/lifecycle/target funds and the annual rate of return for each.
- 3.3.4.16 Discuss the fund(s) you would propose for the Qualified Default Investment Alternatives (QDIA) option and why.
- 3.3.5 Transition
  - 3.3.5.1 Provide a detailed transition plan, including your team; a Gantt chart with proposed commencement date, schedule and status meetings; responsibilities of the Agency, the TPA and any other necessary entity; and any other information you believe is appropriate. If a black-out period is required, discuss its length and any other restrictions. (Note: This will be a working document and will be amended and updated as

- needed if your firm is selected as the TPA.)
- 3.3.5.2 Provide a chart mapping the current investment options to the proposed investment options.
  - 3.3.5.3 Describe how you ensure accurate transfer of all assets at fair market value.
  - 3.3.5.4 Discuss how you plan to minimize participant impact.
  - 3.3.5.5 Discuss your proposed communication plan.
  - 3.3.5.6 Describe how you intend to conduct the plan transition group educational meetings. Provide a complete description of the topics to be covered and describe your company's abilities to provide the necessary information in a clear and accurate manner. Your company should be prepared to fully describe all aspects of the plan, including the new investment options.
  - 3.3.5.7 Describe how you intend to conduct the ongoing in-person educational meetings if the Agency should request those services. Provide a complete description of the topics to be covered and describe your company's abilities to provide the necessary information in a clear and accurate manner.
  - 3.3.5.8 For each type of in-person communication effort, indicate how you propose to coordinate meetings so that all interested members have an opportunity to attend a meeting at a convenient location.
  - 3.3.5.9 Indicate if you require conversion data to be in a standard format. If so, provide sample specifications. Has your firm transitioned a plan from the current record keeper, Great West? If so list the plans and describe the transitions. If not, state any extra charge to re-format on the Cost Proposal form and indicate if this will cause any delay.
  - 3.3.5.10 Provide the names of other similar plan sponsors, along with the name and telephone number of a contact person, with whom you have been involved in a plan transition during the last three years.
  - 3.3.5.11 State the number of transitions your company has conducted in the past year, the past three years and for public sector plans.

### 3.3.6 Reporting and Compliance

- 3.3.6.1 Discuss the consolidated quarterly reports you will provide to the Agency and their contents, such as Morningstar ratings and personal rate of return. Provide samples. Discuss the extent these proposed reports can be customized, if the Agency may receive the reports electronically, and if the reports will be distributed within fifteen (15) business days of the end of a calendar quarter.
- 3.3.6.2 What is the cost to receive ad-hoc reporting and what are the limitations of what the Agency can request.
- 3.3.6.3 Provide your company's statement accuracy percentage; i.e., the percentage of statements that are not mailed on the normal mail date because of an unresolved discrepancy. Confirm that you will agree to incorporate a minimum error percentage in your contract with the Agency.
- 3.3.6.4 Discuss the statement of account review you will prepare for the Agency to facilitate its due diligence and provide a sample.
- 3.3.6.5 Discuss your ability to provide messages the Agency may request from time to time on participant statements.
- 3.3.6.6 Discuss the availability of confirmations and reports online for participants and how participants may discontinue paper confirmations and statements. Will the annual statement be mailed even if the participant has elected to discontinue paper statements?
- 3.3.6.7 Describe the reports that the Agency will receive relating to call volumes, response time, abandoned calls, number of transactions, Internet usage, etc. Provide sample reports in the Miscellaneous Section.
- 3.3.6.7 Provide samples of participant quarterly statements and discuss your ability to customize.

### 3.3.7 Additional Information

- 3.3.7.1 If the above answers do not sufficiently cover all the pertinent facts that qualify your company, summarize additional information below.

3.3.7.2 This RFP has outlined some of the services required to be provided under a contract for TPA services. If, as a part of your TPA Service package there are additional, superior or unusual services that will be or could be provided at no cost describe them in detail.

3.3.7.3 Describe any conditions or exceptions that your firm desires to impose. Note that it is not expected that any significant required conditions or exceptions to the TPA Services required under this RFP will be accepted.

### 3.3.8 Oral Presentations

Vendors achieving 70% of the 60 points available for the written portion of the Technical Proposal will be invited to make oral presentations in Charleston, West Virginia. For oral presentations, Vendors shall briefly discuss their proposal and respond to questions from the evaluation committee.

## 3.4 **Cost Proposal**

### 3.4.1 Compensation

3.4.1.1 The successful vendor will be compensated for providing the TPA Services in the amount of fees stated on the Cost Proposal form (see Appendix). Fees shall be inclusive of any and all costs in providing the Services, including, without limitation, travel, postage, educational materials, clerical and overhead

3.4.1.2 Fees will be paid quarterly in arrears. Vendor shall invoice the TDC Plan on a quarterly basis for administrative fees as agreed upon in the contract.

3.4.1.3 During the term of the purchase order/contract, investment options and other TPA Services may need to be changed. If changes are needed, the parties will negotiate in good faith.

3.4.1.4 To comply with the requirements of the West Virginia Prompt Payment act, the TPA shall provide the TDC Plan with the following as part of the invoice packages: Two (2) copies of the quarterly plan summary report on CDs or as mutually agreed. Original Invoice in electronic format (excel is preferred). Backup detail of the Participant accounts being assessed a fee which matches or is reconciled to the Invoice (such as a pivot table). Electronic format is preferred.

Backup detail of the Participant accounts in which the TDC Plan is being charged on the invoice.

### 3.4.2 Cost Proposal Submission

- 3.4.2.1 Instructions for submitting your fee quote are provided on the Cost Proposal Form in the Appendix. **The Cost Proposal Form must be submitted in a separate sealed envelope.** You may also submit an alternative fee structure proposal using a format similar to the price proposal; however, no commission based fee bids will be accepted. The bidder shall receive no other compensation for acting as TPA other than the fees set forth in its proposal. The bidder will receive no compensation or fees from investment products offered under the plan. Any 12(b)(1) charges or other fees or rebates that are paid to the Plan will be used to offset plan costs, including your company's fee.
- 3.4.2.2 Identify any other costs not addressed on the Form.
- 3.4.2.3 If applicable, sign and submit the attached Resident Vendor Preference Certificate with the proposal.

### 3.5 Special Terms and Conditions:

#### 3.5.1 *License Requirements:*

All representatives assigned to perform services will be properly licensed, trained, qualified and supervised by The TPA with respect to the conduct of their business activities.

## PART 4 PROPOSAL FORMAT AND RESPONSE REQUIREMENTS

### 4.1 Vendor's Proposal Format:

The proposal should be formatted in the same order, providing the information listed below:

**Technical Proposal** (original, 20 courtesy copies and one CD):

Technical Proposal Form

Table of Contents - Clearly identify the material by section and page number.

Section I - Responses to the Technical Proposal in Section 3.3 of this RFP numbered in the order listed. Proposals should restate each question and then provide the

response.

Section II - Miscellaneous Section for all documents, forms and reports being provided.

**Cost Proposal:**

Cost Proposal MUST be included in a separate envelope and in a separate CD.

**4.2 Evaluation Process:**

**4.2.1 Method of Evaluation:**

The proposals will be evaluated by a committee of three (3) or more individuals in accordance with the criteria stated. The Vendor who meets all the mandatory specifications and attains the highest point score of all vendors shall be awarded the contract unless the parties are unable to reach agreement. The selection of the successful vendor will be made by a consensus of the evaluation committee.

**4.3 Evaluation Criteria:** The following are the evaluation factors and maximum points possible for technical point scores:

Technical Proposal	
A. Organization, Qualifications & Experience	<u>10</u> Points Possible
B. Staffing, Administrative Services and Recordkeeping	<u>15</u> Points Possible
C. Customer Service, Communication And Education	<u>10</u> Points Possible
D. Investments	<u>15</u> Points Possible
E. Transition	<u>3</u> Points Possible
F. Reporting and Compliance	<u>7</u> Points Possible
G. Oral Presentation	<u>10</u> Points Possible
Cost Proposal	<u>30</u> Points Possible
Total	100 Points Possible

Each cost proposal cost will be scored by use of the following formula for all vendors who attained the Minimum acceptable score:

$$\frac{\text{Lowest price of all proposals}}{\text{Price of Proposal being evaluated}} \times 30 = \text{Price Score}$$

**4.4 Minimum Acceptable Score:**

Vendors must score a minimum of 70% of the total technical points possible. The

technical points are listed above in Section 4.3. The minimum qualifying score on the technical portion is 49 points. All vendors not attaining the minimum acceptable score (MAS) shall be disqualified and removed from further consideration.

The State will select the successful vendor's proposal based on best value purchasing which is not necessarily the vendor with the lowest price. Cost is considered but is not the sole determining factor for award. The State does reserves the right to accept or reject any or all of the proposals, in whole or in part, without prejudice, if to do so is felt to be in the best interests of the State.

Vendor's failure to provide complete and accurate information may be considered grounds for disqualification. The State reserves the right, if necessary, to ask vendors for additional information to clarify their proposals.

**TPA Analysis Forms and Cost Proposal  
West Virginia  
Consolidated Public Retirement Agency  
RFP Number CPR20032  
TPA Services**

**TECHNICAL PROPOSAL FORM**

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

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Date Bid Submitted: \_\_\_/\_\_\_/\_\_\_

Vendor FEIN: \_\_\_\_\_

Vendor E-mail Address: \_\_\_\_\_

Contact Person Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Addenda to this RFP we have received and reviewed (list): No(s): \_\_\_\_\_

**I. PROPOSAL SUBMISSION**

- 1.1 Proposals shall be submitted in accordance with Section IV of the RFP.
- 1.2 The Cost Proposal Form must be submitted in a separate envelope.
- 1.3 All proposals, including the original, twenty (20) courtesy copies and the CDs, must be received by the Purchasing Division by the required date and time. Failure of the vendor to deliver the proposal in the prescribed manner and on time will result in disqualification.



II. **VENDOR AFFIRMATIONS****VENDOR AFFIRMATIONS AND SIGNATURE**

The Vendor hereby covenants and agrees:

1. to provide the TPA Services in accordance with any resulting agreement/purchase order.
2. to comply with all requirements of RFP CPR10032, including all documents and materials in the Appendix;
3. that it meets and will comply with the mandatory requirements of RFP and specifically that it:
  - a. is authorized to do business in and with the State of West Virginia.
  - b. is licensed, capable and authorized to provide full TPA Services.
  - c. has at least five (5) years experience in providing TPA Services for IRC401(a) plans,
  - d. administers at least one 401(a) plan with assets of at least \$500 million and of similar complexity as the TDC Plan, and
  - e. administers or has under management at least \$10 billion in assets.
4. to be bound by this proposal/bid, Technical Proposal Form, Cost Proposal Form, RFP CPR\_\_\_\_\_ and Appendix, any agreement/purchase order, and any change order.
5. that the person signing this Proposal Form and the submission of the Proposal, Proposal Form and Cost Proposal Form is authorized to bind the Vendor to this proposal/bid;
6. that it has or will sign and provide any required form.

\_\_\_\_\_  
Authorized Signature

## COST PROPOSAL FORM

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

**Vendors must complete this Cost Proposal Form and submit it in a separate, sealed envelope, marked "Cost Proposal" with its Proposal. State all fees, charges and costs to provide the TPA Services.**

1. By Contract Year, complete the following;

Contract Year	Per-Participant Price Schedule with TDC Plan receiving all Commission, 12(b)1 fees and Shareholder Service Fees	Yearly Estimated Costs (assuming a five year contract period based upon the assumptions given below)
Contract Year 1		
Contract Year 2		
Contract Year 3		
Contract Year 4		
Contract Year 5		
Total Five Year Costs		
* Participants should include both active and inactive participants, as well as participants on a periodic payment schedule but not participants who have annuitized.		

Bidders are required to submit Costs under a per-participant fee schedule with two options for the allocation of commissions, 12(b)1 fees and shareholder service fees. The first (above) assumes that the TDC Plan will receive **all** commissions, 12(b) 1 fees and shareholder service fees. The second "Alternative Price Schedule" (below) assumes that the TDC Plan will receive 75% of the commissions, 12(b)1 fees and shareholder service fees and the vendor will receive 25% of the commissions, 12(b)1 fees and shareholder service fees.

<b>Contract Year</b>	<b>Per-Participant Price Schedule with the TDC Plan receiving 75% of the commissions, 12(b)1 fees and shareholder service fees and the vendor receiving 25% of the commissions, 12(b)1 fees and shareholder service fees</b>	<b>Yearly Estimated Costs including the 25% of the commissions, 12(b)1 fees and shareholder service fees received by the vendor (assuming a five year contract period based upon the assumptions given below)</b>
Contract Year 1		
Contract Year 2		
Contract Year 3		
Contract Year 4		
Contract Year 5		
Total Five Year Costs		

\* Participants should include both active and inactive participants, as well as participants on a periodic payment schedule but not participants who have annuitized.

**The total five year costs listed in the two (2) tables above plus the amount remaining at the end of contract year 5 from the start up cost table below, will be used in evaluating the cost bids for this proposal. Each of the two (2) costs scenarios in the above tables will be evaluated separately but the amount remaining at end of contract year 5 will be used in both evaluations. CPRB reserves the right to choose the costing scenario best suited to their needs.**

### **Start Up Costs**

Identify extraordinary one-time start-up Costs expected to be incurred. Please detail these expenses and describe how you propose to amortize and be reimbursed for these costs under the fee proposal you have outlined. If the contract is terminated for a reason other than cause, prior to the end of initial five-year period, indicate any amounts, at the end of each year, that will remain unreimbursed and the contract termination terms you would require. The amount of these start-up costs may be expressed in a flat dollar amount.

<b>Item</b>	<b>Amount of One-Time Start Up Costs and Contract Terms</b>
Total Amount of One-Time Start Up Costs	
Amount Remaining At End of Contract Year 1	
Amount Remaining At End of Contract Year 2	

Amount Remaining At End of Contract Year 3	
Amount Remaining At End of Contract Year 4	
Amount Remaining At End of Contract Year 5	

#### **Additional Fund Performance Review**

The Agency may request additional Fund Performance Reviews in excess of the reports required in the RFP. Vendor will provide the additional reviews for the following additional fees:

Description	Cost Per Review
Basic Fund Performance Report	
Expanded Fund Performance Report	

#### **Additional Services**

List any other fees or costs you would charge to provide the TPA Services.

#### **Pricing Assumptions**

No representations or warranties of any type or kind are made as part of this RFP as to the specific type or kind of investment options which may in the future be approved by the Agency nor are any representations or warranties made as to the number of members in the TDC Plan or the amount of assets that will constitute the Plan.

You must use the following assumptions for the calculation of your firms estimated pricing above. **Please note that the assumptions are estimated which are intended to be used in order to ensure comparability of pricing in the evaluation process. The State does not guarantee these participant, activity, or asset levels will occur.**

At Contract Year Ending	Estimated Number of Active Participants	Estimated Total Number of Participants*	Estimated Number of Payments (Lump Sum and Installments)	Estimated Amount of Assets** (millions)
Year 1	4,830	5,655	1,300	260
Year 2	4,787	5,575	1,300	267
Year 3	4,743	5,494	1,300	273
Year 4	4,700	5,414	1,300	280
Year 5	4,656	5,333	1,300	287

\* Includes active, inactive and those on payout status.

\*\* Mutual fund assets are valued at market value and amounts include the impact of contributions and distributions on the Plan.

RFQ No. \_\_\_\_\_

STATE OF WEST VIRGINIA  
Purchasing Division

**PURCHASING AFFIDAVIT**

**West Virginia Code §5A-3-10a states:** No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

**DEFINITIONS:**

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceed five percent of the total contract amount.

**EXCEPTION:** The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (**West Virginia Code §61-5-3**), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

**WITNESS THE FOLLOWING SIGNATURE**

Vendor's Name: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_, to-wit:

Taken, subscribed, and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My Commission expires \_\_\_\_\_, 20\_\_\_\_.

**AFFIX SEAL HERE**

**NOTARY PUBLIC** \_\_\_\_\_

# State of West Virginia **VENDOR PREFERENCE CERTIFICATE**

Certification and application\* is hereby made for Preference in accordance with **West Virginia Code**, §5A-3-37. (Does not apply to construction contracts). **West Virginia Code**, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the **West Virginia Code**. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

**1. Application is made for 2.5% resident vendor preference for the reason checked:**

- Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or**,
- Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; **or**,
- Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; **or**,

**2. Application is made for 2.5% resident vendor preference for the reason checked:**

- Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or**,

**3. Application is made for 2.5% resident vendor preference for the reason checked:**

- Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; **or**,

**4. Application is made for 5% resident vendor preference for the reason checked:**

- Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; **or**,

**5. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**

- Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; **or**,

**6. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**

- Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

**Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.**

Bidder: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

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

\*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.