

# VIRGINIA COLLEGE SAVINGS PLAN

## REQUEST FOR PROPOSALS FOR STATE-FACILITATED AUTOMATIC ENROLLMENT INDIVIDUAL RETIREMENT ACCOUNT SAVINGS PROGRAM ADMINISTRATION RFP 22-02

Issue Date: February 1, 2022

Title: State-facilitated Automatic Enrollment Individual Retirement Account (IRA)  
Savings Program (Program) Administration Services

Issuing Agency: Virginia College Savings Plan (Virginia529 or VA529)  
9001 Arboretum Parkway  
North Chesterfield, VA 23236

Program Launch Date: On or before July 1, 2023

**PROPOSALS WILL BE RECEIVED UNTIL: March 25, 2022 (5pm EST)**

**Proposals must be submitted via electronic format only.** Hard copy of proposals will not be accepted. Electronic copies shall be in a non-protected, Adobe pdf format (maximum size is 10 MB/per email submission and emailed to [procurement@virginia529.com](mailto:procurement@virginia529.com). For ease of identification, enter “State-Facilitated Automatic Enrollment IRA Savings Program RFP” in the subject line of your email Proposal. **All Proposals must be received by the due date/time deadline. Proposals received after the deadline will not be accepted. The time stamp on the email will serve as the official clock.**

To ensure receipt of your proposal, please call Anna Chilton, Procurement Officer at 804-717-7511 immediately after electronically submitting your response.

*NOTE: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, §2.2-4343.1 or against a Firm because of race, religion, color, sex, national origin, age disability, or any other basis prohibited by state law relating to discrimination in employment.*

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## **1. INSTRUCTIONS FOR BIDDERS**

The purpose of this request for proposals (RFP) is to solicit proposals from qualified financial services firms (Firms) for the purposes of providing third-party administration services for record keeping, customer service, plan administration, data collection, and financial education for the Virginia College Savings Plan's (hereinafter VA529) State-facilitated Automatic Enrollment IRA Savings Program (hereinafter the "Program").

### **1.1 General.**

RFP responses and presentations should clearly state the ability of your Firm to satisfy the requirements defined within this document. VA529 requires an electronic copy of all proposals, submitted by the date and time provided herein.

*Please note that although the Program contains some new elements, existing concepts, best practices and capabilities associated with IRAs and defined contribution plans can be applied.*

A designated Evaluation Committee of VA529 will evaluate qualified proposals submitted in response to this RFP. VA529 may ask some or all Firms that respond to this RFP to give an oral presentation of their proposal to a designated committee of VA529. Oral presentations are for fact finding and explanation only and shall not include negotiation. VA529 will schedule the time and location of these presentations.

VA529, at its sole discretion, reserves the right to either accept or reject any and all proposals. The existence of this RFP shall not, in any way, obligate VA529 to take any action regarding any response submitted by a Firm. Any attempt by a Firm to influence a member of the Evaluation Committee during the proposal review and evaluation process will result in the elimination of that Firm's proposal from consideration. All costs for the response to this RFP and any other events in the sales process are the Firm's responsibility.

Ownership of Proposals. Ownership of all data, materials and documentation created and prepared for VA529 pursuant to the RFP shall belong exclusively to VA529 and be subject to public inspection in accordance with the Virginia Freedom of Information Act (VFOIA). If any portion of the response constitutes a trade secret or any other privilege applies, such portion of the response must be identified specifically and an exemption from the VFOIA requested.

### **1.3 Required Format for Proposals.**

The following information is furnished with respect to the format of the RFP 22-02 for Program Administration Services. VA529 will review the RFP responses and any subsequent contract for services will be as mutually agreed upon through negotiation.

Structure and Content requirements:

COVER PAGE

Proposers must include a completed cover page that includes the following information:

Name and Address of Firm: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact at Firm: \_\_\_\_\_

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

Federal EIN: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

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

Section 1 – TABLE OF CONTENTS

Proposers must include a Table of Contents that lists sections and subsections with page numbers that follow the organization and sequence for this proposal as required.

Section 2 – MINIMUM QUALIFICATIONS

Proposers are expected to meet the following minimum qualifications to be considered for evaluation. Succinctly describe how you meet each of the minimum qualifications listed below. VA529 may in its sole discretion choose to negotiate with a Firm that does not meet one or more of the minimum qualifications.

1. Minimum of 5 years of experience administering IRAs, public or private sector defined contributions plans, including state-sponsored investment programs, or other similar retirement plans.
2. Administer a minimum of 10 defined contribution plans across 5,000 participant accounts per plan or 75,000 IRA or similar participant accounts.
3. Minimum of at least \$3 billion across all defined contribution and IRA assets under management.
4. Proposer must hold and maintain all federal licenses or registrations necessary to comply with applicable federal and state laws and regulations for businesses offering municipal fund securities, investments and retirement services, as applicable.

Section 2 – ANSWERS TO RFP QUESTIONS

Answer all questions under 4.3 RFP Questions in the order presented in this RFP. Please also number your responses to align with the numeric order of the questions presented in this RFP. Not doing so may disqualify your Firm from consideration.

Section 3 – IMPLEMENTATION STATEMENT OF WORK

Provide a detailed Statement of Work that describes how your Firm intends to complete all of the tasks necessary to launch the Program on or before July 1, 2023. The Implementation Statement of Work should include the following components:

- *Work Plan.* Provide a detailed, task-oriented breakdown for each major activity/task required to go live with the Program. Identify the personnel resources (names and titles) who will be assigned to each major activity/task delineated in the Work Plan.
- *Methodologies.* Describe how each major activity/task will be accomplished, providing a detailed explanation of the procedures or processes that will be used to attain the expected outcomes.
- *Deliverables.* List and describe each significant deliverable (outcome) during the implementation period. Include a description of the proposed method of working with the VA529 Retirement Program Director (hereinafter “Director”), the resources or services requested of the Director, and the proposed method of receiving VA529 approval of deliverables.
- *Schedule.* Include a proposed work schedule, by major activity/task, indicating when each activity/task will be accomplished. Identify any significant milestones or deadlines. Include due dates for all significant deliverables.

#### Section 4 – PERSONNEL RESOURCES

- *Primary Contact.* Provide the name, title, resume, and e-mail address of the one individual who will be primarily responsible for this engagement.
- *Key Personnel.* Identify the other key personnel who will be assigned to this engagement. Attach resumes reflecting their qualifications and work experience in the subject area.

#### Section 5 – SUBCONTRACTORS

Identify any third-party subcontractors, agents, or providers you propose to use in the delivery of any services for the engagement and their responsibilities. Include the name, description of services provided, the nature and length of relationship with the Firm, location, and term of current contracts with the Firm, if any.

#### Section 6 – REFERENCES

Please provide the company or public entity name, address, contact person, and telephone number of at least three clients for whom the Firm has provided similar or relevant services. Please also indicate the duration of the engagement with each reference.

Describe the services you currently offer to customers which qualify you to provide the services outlined in this RFP. In your response, address, as appropriate, the number and types of accounts and assets under management for which you provide services; information on the types of investment options supported by your current platform; program administration cost examples under current programs (types of fees and charges and rates, in a cost/account format, if applicable).

#### Section 7 – CONFLICT OF INTEREST

Include a disclosure statement concerning any business relationships or assignments that your Firm or any employee of your Firm has or has had since January 1, 2017, that poses or may pose a conflict of interest or the appearance of a conflict of interest in providing administration services to the Program.

#### Section 8 – VALIDATION OF PROPOSAL

Each proposal must be signed by an authorized official and shall be a binding commitment that VA529 may incorporate, in whole or in part, by reference or otherwise, into a services contract that will be negotiated after the final evaluation of Firms. The proposal must also include evidence that the person submitting the proposal has the requisite power and authority on behalf of the Firm to submit and deliver the proposal and subsequently to enter, execute, deliver, and perform the contract.

### 1.3 RFP Timeline and Due Date.

A response to this RFP is due by **5:00 PM EST, MARCH 25, 2022 – late submissions will not be accepted.** VA529 plans to move quickly once responses are received. The timeline is structured to complete a contract by June 30, 2022, with the goal of launching the full Program on or before July 1, 2023. The expectation is for a Pilot launch to open during the first quarter of 2023.

#### SCHEDULE

February 1, 2022	Issue RFP for Program Administrator
February 18, 2022 5:00 PM EST	Questions, if any, must be in email and sent to <a href="mailto:procurement@virginia529.com">procurement@virginia529.com</a> .
February 25, 2022	Answers to questions, if any, released by VA529 will be made available on the Agency's website.
March 25, 2022 5:00 PM EST	Submission deadline
April 11-15, 2022 (tentative; may be sooner or later in VA529's discretion)	Finalist interviews, if necessary
May 13, 2022 (tentative; may be sooner or later in VA529's discretion)	Selection process concludes

All contacts regarding this RFP must be in email and sent to [procurement@virginia529.com](mailto:procurement@virginia529.com).

Anna Chilton, Procurement Officer  
Virginia College Savings Plan  
Phone: 804-717-7511  
Fax: 804-323-2708

## 2. VA529 BACKGROUND INFORMATION

*This section is informational only; VA529 requires no response to this section.*

Virginia College Savings Plan, also known as Virginia529<sup>SM</sup> (VA529) is an independent agency of the Commonwealth of Virginia, created by the 1994 Acts of Assembly, codified at Chapter 7 of Title 23.1 (§§ 23.1-700 *et seq.*) of the Code of Virginia of 1950, as amended. VA529 currently administers four Internal Revenue Code (IRC) § 529 education savings programs for the Commonwealth of Virginia. VA529's programs include its Defined Benefit 529 Program (legacy Prepaid529<sup>SM</sup> and the Tuition Track Portfolio), and three savings programs: Invest529<sup>SM</sup>, CollegeAmerica<sup>®</sup>, and CollegeWealth<sup>®</sup>. VA529 is responsible for assets in excess of \$100 billion across the four education savings programs it administers, making it the largest § 529 plan in the country. VA529 also administers two IRC § 529A ABLE disability savings programs, ABLEnow<sup>®</sup> and ABLEAmerica<sup>®</sup>. Additional information about VA529 may be found on our website at Virginia529.com.

VA529 is administered by Chief Executive Officer Mary G. Morris and an eleven-member Board. Ms. Morris is a tax, securities and bond attorney, as well as a former Treasurer of Virginia and former Senior Assistant Attorney General. VA529's Board is comprised of four citizen members appointed by the Governor, two citizen members appointed by the Speaker of the Virginia House of Delegates, one citizen member appointed by the Senate of Virginia Committee on Rules, and four state officials who serve by virtue of the state offices they hold: the State Treasurer, the State Comptroller, the Chancellor of the Virginia Community College System, and the Executive Director of the State Council of Higher Education for Virginia. Citizen members are required to have significant experience in finance, accounting, law, or investment management.

The Program will be administered by VA529's Board. Firms are requested to read the enabling legislation that provides the framework for the Program as well as the powers and duties of the Board by clicking [here](#). In addition, the Board has the powers and duties to:

1. Explore and, as appropriate, establish incentives to encourage participation in the Program by Eligible Employers and Eligible Employees, including a grant program to incentivize compliance with the Program and to defray the costs of small businesses; and
2. Assess the feasibility of multistate or regional agreements to administer the Program through shared administrative and operational resources and enter into those agreements if deemed beneficial to the Program.

To assist the Board with directing, managing, and administering the Program, VA529 has created the Retirement Program Advisory Committee (hereinafter the "PAC"). The PAC is comprised of members with expertise in one or more of the following areas: retirement plan design, retirement plan investments, domestic or international equity or fixed-income securities, cash management, alternative investments, institutional real estate investments, or managed futures. The recommendations of the PAC are not binding on the Board.

VA529's Board, with assistance from the PAC, will be responsible for overall Program design, Program investment option selection, marketing and outreach activities (although aspects may be coordinated with the selected Firm) and Program oversight. VA529 will contract with the selected Firm to provide a turn-key solution for specific administration services outlined in Section 4 - Scope of Services.

### **3. PROGRAM OVERVIEW**

#### **3.1 PROGRAM BACKGROUND**

Chapter 506 of the 2020 Virginia Acts of the Assembly directed VA529 to analyze current state and federal programs that encourage citizens to save for retirement by participating in retirement savings plans and to submit a report of its findings to the General Assembly on or before December 15, 2020. The final report (VA529 Report) arose out of the legislature's recognition that many employed Virginians lack sufficient retirement savings. The VA529 Report also highlighted the fact that the lack of sufficient retirement savings has a clear negative impact not only on individual households ill-equipped to maintain their standard of living in retirement, but also on the Commonwealth and its fiscal and economic health. Among other key takeaways and recommendations, the findings of the VA529 Report included the following:

1. The main cause of the retirement savings gap is lack of access to retirement savings options at work.



2. Forty-five percent of Virginia’s private sector workforce, or 1.2 million workers, do not have access to a retirement savings plan at work.
3. A state-facilitated auto-IRA program is the model which has shown itself to be significantly more effective than the alternatives in driving saving behaviors. The auto-IRA model minimizes the barriers to employers while maximizing program features to best serve employees.
4. A financial education component should be included to provide financial education to private citizens and support in retirement planning.

In 2021, the Virginia General Assembly adopted legislation authorizing the creation of the Program in Virginia. In April 2021, Governor Northam signed Chapter 556 of the 2021 Virginia Acts of Assembly, which gave VA529 responsibility for developing and implementing a State-facilitated IRA Savings Program (the “Program”) for eligible employees in the Commonwealth of Virginia.

Participation in the Program is mandatory for Eligible Employers, which are employers who (i) are non-governmental employers who have been operating in the Commonwealth for at least two years prior to Program implementation; (ii) have twenty-five (25) or more Eligible Employees; and (iii) do not currently offer a retirement savings option to their employees. For the purposes of Program participation, Eligible Employees are individuals who are (i) eighteen (18) years of age or older; (ii) currently employed at least thirty (30) hours a week; and (iii) are receiving wages. Eligible Employees working for an Eligible Employer will be automatically enrolled in the Program with the opportunity to opt-out. The Program is not a qualified employee benefits program under the Employee Retirement Income Security Act (ERISA) and is sponsored and administered by the Commonwealth of Virginia. The Program is set to launch on or before July 1, 2023.

### 3.2 PROGRAM SPECIFICS

The following provides an overview of Program specifics:

<b>Name of the Program</b>	TBD
<b>Type of Program</b>	State-facilitated Automatic Enrollment IRA Savings Program
<b>Date Contribution Begins</b>	Anticipated to be no later than July 1, 2023 (to be discussed with Program administrator)
<b>ELIGIBILITY</b>	
Eligible Employer	<ul style="list-style-type: none"> <li>• Pursuant to Title 2.2, Chapter 27.1 of the Code of Virginia, Eligible Employer is defined as:</li> <li>• A non-governmental business, industry, trade, profession, or other enterprise in the Commonwealth, whether conducted on a for-profit or nonprofit basis, that employed twenty-five (25) or more Eligible Employees, as reported to the Virginia Employment Commission pursuant to 16VAC5-32-20, or any successor regulation, for the quarter ending December 31 and the three quarters of the preceding calendar year and has been operating for at least two (2) years prior to Program implementation.</li> <li>• The term Eligible Employer does not include an employer that sponsors, maintains, or contributes to an automatic enrollment payroll deduction IRA or a qualified retirement plan in compliance with federal law for its employees, including plans qualified under § 401(a), 403(a), 403(b), 408(k), or 408(p) of the Internal Revenue Code.</li> <li>• Eligible Employers are required to participate in the Program; however, non-Eligible Employers may also facilitate participation of non-Eligible Employees (defined below) or Participating Individuals (defined below).</li> </ul>
Eligible Employees	<ul style="list-style-type: none"> <li>• Eligible Employee means any individual who is (i) eighteen (18) years of age or older, (ii) currently employed at least thirty (30) hours a week, and (iii) receiving wages.</li> <li>• All Eligible Employees shall be enrolled in the Program unless they opt-out.</li> <li>• Self-employed individuals may also voluntarily participate in the Program even if they do not meet the definition of Eligible Employee.</li> </ul>
Participating Individual	Participating Individual means any individual who enrolls in the Program independent of an employment relationship with an

	<p>Eligible Employer, maintains an account in the Program, and is not a participating employee.</p> <p>Participating Individuals include gig workers, part-time workers working less than thirty (30) hours per week, non-Eligible Employees working for an Eligible Employer, or self-employed individuals.</p>
<b>PROGRAM BASICS</b>	
Account Type	Roth Individual Retirement Account as the standard default IRA with the option of a Traditional IRA – one account per enrolled individual (Program Participant).
IRA Type(s)	Roth IRA (default); option of Traditional IRA
Contributions – Eligible Employer	Not permitted
Contributions – Eligible Employee	<p>Employee contributions are withheld and transmitted by the Eligible Employer on behalf of the Eligible Employee</p> <p>In accordance with Program requirements, procedures, and guidance, contributions must be transmitted on the earliest date that the amount withheld can be transmitted but no later than ten (10) business days following the date upon which the Eligible Employee’s contributions were withheld from their paycheck.</p>
Contributions – Opt-in Participants (Participating Individuals)	<p>Self-employed individuals, gig workers, Eligible Employees not employed by an Eligible Employer or whose employer does not facilitate participation in the Program may participate in the Program and will be allowed to opt-in and make contributions directly as a Participating Individual.</p> <p>The enabling statute allows for 1) an employer that is not an Eligible Employer to facilitate participation of its Eligible Employees in the Program, and 2) any Eligible Employee whose employer does not facilitate his participation in the Program or any self-employed individual to enroll in the Program.</p>
Automatic Enrollment Process	<p>Employer-facilitated with technical support by the Program administrator.</p> <p>An opt-out period will occur before payroll deductions begin; only the employee can opt him or herself out of the Program.</p> <p>An Eligible Employer will automatically enroll an Eligible Employee into the Program at the established default contribution rate no later than 30 days after initial notification has been provided to the Eligible Employee.</p> <p>An Eligible Employee may opt-out of the Program or have payroll deductions stopped at any time by electing a contribution level of zero.</p>

Default Contribution and Auto-escalation Rates	5.0% of the Participant's taxable wages, increasing 1% each year, up to a maximum contribution rate of 10%
Contributions – Electable Levels	Participants can select a contribution rate that may be expressed as (i) a percentage of taxable wages or (ii) a dollar amount up to the maximum contribution limit under the Internal Revenue Code.
Contribution Changes	Participants can elect an alternative contribution amount at initial enrollment period and at such frequencies as will be determined by the Board.
Employee Contribution Cessation	Participants can stop contributing at any time (subject to the limitations in the Internal Revenue Code governing Roth IRAs), i.e., 0% contribution election.
Contribution Date and Fund Deposit Frequency	In accordance with Program requirements, procedures, and guidance, contributions must be transmitted on the earliest date that the amount withheld can be transmitted but no later than 10 business days following the date upon which the Participant's contributions were withheld from the paycheck.
Contribution File Processing Issue/Reject Management	Predominately, an employer will file monthly contribution amounts and associated data via an administrative portal with web submittal and Automated Clearing House (ACH) or equivalent funding process/platform.
Contribution Limit Monitoring and Management (Across Employers)	Participant responsible for monitoring contribution limits at the Program level; however, the account system should also cease accepting contributions once the annual contribution limits established by law have been reached.
Roth IRA Income Limit Compliance and Eligibility Management	Participant responsible for complying with IRS income limits for Roth (after-tax) contributions.
<b>INVESTMENT OPTIONS</b>	
Requirements	In accordance with the enabling statute, the Board shall select one or more investment funds in which Program Participants may elect to invest and a default investment fund for Participants who do not make an affirmative investment election.
Default Investment Option	The default investment option has not been determined. The Program may use a capital preservation fund as the default investment option or it may use an age-based target date fund as the default investment option. The timing of initial contributions may impact that decision. The timing and manner of moving from a capital preservation fund to a target date fund is to be determined.

Participant Investment Direction	Yes
Investment Option Changes	Daily
Frequency of Valuation	Daily
<b>ACCOUNT SERVICING</b>	
Methods	Mobile, online portal, email, online chat, and telephone for Eligible Employees and Participants, at a minimum.
General Account Inquiry (i.e., Balance information)	Individual self-service mobile, online portal, and telephone with online chat support for Eligible Employees and Participants.
General Account Maintenance	Individual self-service via mobile and web with online chat and telephone support for: <ul style="list-style-type: none"> <li>• Investment performance</li> <li>• Investment election changes</li> <li>• Investment fund transfers</li> <li>• Indicative data changes</li> <li>• Beneficiary designations</li> </ul>
Participant Account Statements	Participant account statements should include, at a minimum: <ol style="list-style-type: none"> <li>1. Account type;</li> <li>2. Beginning/ending account balance, summary of contributions and distributions for the reporting period; and closing net asset value (NAV)</li> <li>3. Percentage of asset allocation in each investment option selected;</li> <li>4. Personal performance of each investment option selected for both the quarterly and year-to-date reporting period;</li> <li>5. Amount and description of fees;</li> <li>6. Contribution, distribution and transfer transactions processed and completed for the reporting period, including purchase or sell price for each transaction;</li> <li>7. Beneficiary designation information;</li> <li>8. Estimate of the amount of income the account is projected to generate based on reasonable assumptions; and</li> <li>9. Customer contact information for assistance, including toll-free number, web, and email address; and</li> <li>10. Any required and/or recommended disclosure(s) to further clarify information on the statement</li> </ol>
Distributions	At any time, subject to IRA rules.
Rollovers Out	Permitted as applicable under the Internal Revenue Code.
Rollovers In	Permitted as applicable under the Internal Revenue Code.

Distribution Services, Including Retirement Eligible	Primarily through a web-based self-service capability, plus additional support methods as identified by the Program administrator or VA529.
Education and Communication Materials	Collaboration with VA529 on development of all employer and Participant materials; anticipated requirements include an employer toolkit to support employer readiness to facilitate the Program effectively, and an employee enrollment form and related tools and information.
Program Participant Tools and Links	Program Participant tools to support retirement readiness estimation and links to national and in-state resources to support financial education and coaching as identified by the Program Administrator or VA529.

### 3.3 CONTRACT TERM

The Firm should expect to provide record keeping and administrative services for a term not less than five (5) years with the option for renewal upon term completion.

The contract’s term will be set during negotiations between VA529 and the successful proposer (Contractor). VA529 anticipates that the successful proposer will commence work on the contract start date, or on the express date set by VA529 and the Contractor, after all approvals have been obtained and the contract is fully executed. If the Contractor fails to commence work at the agreed upon time, VA529, upon five (5) days written notice to the Contractor, reserves the right to terminate the contract. In addition, the Contractor shall be liable to VA529 and to the Commonwealth of Virginia for the difference between the Contractor’s proposal price and the actual cost of performing work by another contractor.

## 4. SCOPE OF SERVICES

### 4.1 Introduction.

VA529 anticipates outsourcing many Program functions to the Firm selected as a result of this RFP process. The chosen Firm shall perform the contracted services in accordance with all applicable federal and state laws, administrative rules, and regulations.

### 4.2 Scope of Work.

VA529 requests a turn-key Program management solution, with the ability to customize certain aspects as agreed between the parties, as VA529 retains oversight and responsibility for the Program. VA529 also has an internal communications and marketing team and is interested in a collaborative approach to marketing and outreach activities and Program website development and maintenance. Responses to the RFP should reflect recommendations for shared responsibility in this regard.

Specifically, with oversight from VA529 the chosen Firm will assume responsibility for:

1. All recordkeeping, administrative, and fund management services necessary to efficiently operate a payroll-deduction IRA;

2. Providing custody and fund accounting services;
3. Establishing the automatic enrollment process (paper and online) for Program Participants vis facilitating employers;
4. Establishing employer exit processes for employers that are no longer mandated to participate in the Program;
5. Establishing an annual escalation feature for Program Participants based on the amount and schedule established by the Program;
6. Maintaining Program Participant and beneficiary information;
7. Receiving and depositing Program contributions;
8. Disbursing funds;
9. Monitoring IRA contribution limitations and alerting Participants of excess contributions; Processing IRA inbound and outbound rollovers;
10. Developing and sending Program documents necessary for administration and promotion of the Program, including but not limited to the following:
  - a. The Program Disclosure Statement containing all the Program rules and material information necessary for Program Participants to make informed decisions regarding their investment;
  - b. Required supplements to the Program Disclosure Statement;
  - c. The IRA Disclosure Statement and Custodial Agreement
  - d. Monthly/quarterly account statements for Program Participants, to be delivered electronically at a specified interval or frequency and available online;
  - e. Annual account statements for Program Participants, to be delivered via the United States Postal Service and/or provided via electronic delivery, as specified by the Program Participant;
  - f. Tax reporting requirements;
  - g. Paper and/or electronic confirmation notices of the following: enrollment (including all data provided and the designations made), changes to account information, and transactions. Such account statements and confirmations may be sent via U.S. postal mail, electronically, and/or provided via a Program Participant portal; and
  - h. Enrollment materials including the following: automatic enrollment notice, an opt-out form to be used by Eligible Employees, a list of customer service resources available to Program Participants and facilitating employers, onboarding documentation, and noncompliance documentation.
11. Submitting Program data to VA529 on a periodic basis and/or on demand and making recommendations for amendments or supplements to offering materials, as appropriate;
12. Providing a platform or portal for VA529 as Program Sponsor to access and retrieve employer and participant data;
13. Providing all necessary compliance services for the Program;
14. Monitoring changes in federal and state laws and regulations which might impact the Program, advising VA529 of those changes, and working with VA529 to implement any necessary or desired changes;
15. Preparing, at the Firm's expense, an annual audit of the Program in accordance with state law;
16. Processing all account activity (e.g., account openings and contribution and withdrawal processing) on a daily basis;
17. Monitoring contribution limits and sending written and/or electronic notices to Program Participants who are approaching or have exceeded the annual contribution limits;
18. Preparing an Annual Program Report, subject to the approval of VA529. The Report will be written in language that is easy-to-read and understand and will include contact details to obtain more information;
19. Developing and maintaining an accessible, operational and mobile-responsive Eligible Employer and Participant portals providing at a minimum the following features:

- a. State-of-the-art security and password protocols for both the Program Participant and employer portals;
  - b. A Program Participant web and mobile-responsive portal with the ability to access account information, obtain investment performance information, conduct transactions, view completed and pending transactions, make changes to account information, change contribution amounts, or designate fund selections;
  - c. An employer web portal with the ability to join the Program, easily connect their payroll systems, enroll Program Participants, enter and transmit employee data, conduct transactions, make changes to account information, and designate authorized agents;
  - d. Information regarding the benefits of retirement saving and investing;
  - e. A full description of the enrollment process, including how to opt-out;
  - f. Ability to select alternative contribution rates or fund options, as applicable; and
  - g. Information on IRA accounts including, but not limited to, the benefits, tax implications, tax filing requirements, and federal tax credits involved with saving in an IRA account;
  - h. Developing and providing all necessary forms and reports to Eligible Employers, Eligible Employees, Program Participants, and third parties;
20. Establishing a pilot program for select Eligible Employers and Eligible Employees to test the Program;
21. Providing a contact center with live phone and chat assistance, email assistance, and a voice response system with multi-lingual service options that is in the United States and staffed with all necessary customer service staff. The contact center shall be staffed with customer service representatives during a set service period as determined by VA529. The contact center shall utilize a toll-free number and email address that will stay with the Program in the event of a transition to a new vendor. Contact center staff shall perform the following services:
- a. Assist with Program transactions including contributions, withdrawals, and general account maintenance;
  - b. Answer inbound calls and make outbound calls as necessary;
  - c. Respond to emails and written correspondence;
  - d. Provide a customer service record that will identify, track, and report all communications between the contact center and Program Participants or prospective participants and maintain that record for a minimum of one year; and
  - e. Meet all performance standards agreed upon by the Firm and VA529;
  - f. Provide assistance to Eligible Employers for onboarding, documenting, and enrolling Eligible Employees, claiming an exemption from Program participation, resolving data issues in the employer portal, and any other issues relating to Program participation;
22. Reporting and providing Program analytics as requested by VA529;
23. Regularly attending due diligence and review meetings with VA529;
24. Fulfilling any federal and state reporting requirements, including but not limited to any reports required by the Internal Revenue Service, United States Securities and Exchange Commission, or the Municipal Securities and Rulemaking Board;
25. Acting as a fiduciary for the Board and Program Participants;
26. Administering the Program in compliance with applicable unclaimed property laws and any other laws regarding abandoned property as applicable to accounts in the Program; and
27. Collaborating with VA529 on marketing and outreach strategy and execution, including communication with Eligible Employers, Eligible Employees, and Program Participants.

VA529 will be responsible for:

- 1. Overall Program design;
- 2. Program investment option selection;
- 3. Program oversight



### 4.3 RFP Questions.

Please provide complete responses to each question below, answering with as much specificity as possible. If you are unable to answer a specific question or portion, please explain why the question is not addressed. VA529 understands that many questions remain unaddressed by this RFP and that it may not be possible for the Firm to address every aspect of the proposed Program. VA529 desires a partner who can develop a compliant Program that meets the needs of Program Participants.

#### 4.3.1 ORGANIZATION AND HISTORY

1. Please identify the entity that will serve as the contract party for the required services included in Section 4.2, Scope of Work. If the contract party is not a parent entity, please indicate whether you will provide a parent guarantee or other suitable alternative to ensure performance. If more than one entity will provide services under the contract, please identify any such parties and their relationships to the Firm and to each other. Specify whether you propose that such entities will also be parties to the contract and why or why not.
2. Do you guarantee service performance? If so, please describe. What percentage of fees are you willing to put at risk? Include specifics of the penalties (i.e., monetary guarantees) tied to performance failures.
3. What fiduciary responsibility does your Firm assume?
4. Please describe your Firm's vision, mission, and company values.
5. Describe your Firm's commitment to quality, and your philosophy and approach to client services.
6. Does your Firm have a program in place to support a diverse, equitable, and inclusive workforce? If yes, please describe.
7. Please provide the most recent System and Organization Control (SOC) reports for your Firm for the last three (3) fiscal years that include but are not limited to:
  - a. Enterprise risk, security, and privacy overview. Please confirm.
  - b. Assurance of business continuity. Please confirm.
8. Using the table below, describe your Firm's bonding, errors and omissions (E&O), and similar insurance coverages applicable to the services proposed, outline the deductibles for your insurance coverage, and list your current carriers. The Firm should further certify that it will maintain this coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

	<b>Insurance Carrier &amp; AM Best Rating ()</b>	<b>Coverage, Deductibles, and Limits</b>	<b>Meets Regulatory Requirements?</b>
<b>Errors and Omissions Coverage</b>			
<b>Fidelity Bond</b>			
<b>Director and Officer Liability</b>			
<b>Cybersecurity</b>			
<b>Fiduciary</b>			

Refer to Section 6.17 for other insurance requirements in accordance with the General Terms and Conditions.

9. With respect to the Firm, any related entity, or any subcontractors, partners or affiliates you plan to engage, please indicate whether any principals, owners, directors, officers or employees have been the subject of any of the following since January 1, 2017 (answer “yes” or “no” and, if the answer is “yes”, please provide a full explanation of the circumstances surrounding it including the status or ultimate disposition). For purposes of the following questions, the term "related entity" means any partnership, joint venture, subcontractors, and all other direct or indirect affiliations of the Firm, entities that own the Firm, and subsidiaries of the Firm that could, in any reasonable capacity, affect the Program or the services to be delivered. The Board may reject a Proposal due to any disclosure or conflict of interest (potential or actual) that is material in the sole discretion of the Board.
- a. Any past or pending regulatory restrictions, consent orders, stipulations or agreements arising from any regulatory or judicial proceeding that would apply to the delivery of any of the types of services required by this RFP.
  - b. Any criminal action brought under either federal or state law or any conviction or plea in a case stemming from a felony indictment under federal or state law. Any such action, conviction, or plea must be disclosed.
  - c. Any pending regulatory proceedings, litigation or investigations involving alleged or actual unfair, illegal or unethical business practice, or any such regulatory proceedings or litigation commenced or in process since January 1, 2017.
  - d. Any penalties, fines or contractual damages imposed since January 1, 2017, or any settlement amounts paid since January 1, 2017, in any class action litigation or regulatory matter.
  - e. Any pending, settled or adjudicated litigation, or any settled claim, or any currently threatened litigation, with or concerning any State-run investment programs or participant therein.

- f. Any pending, settled or adjudicated litigation, enforcement or disciplinary action or investigation, arbitration, audits, or regulatory or investigative inquiries (collectively, Proceedings) by the US Attorney General, IRS, the SEC, the New York Stock Exchange, FINRA or any other governmental, state regulatory or investigative agency, in connection with the Firm's business(es) or any proposed subcontractor relevant to any of the types of services proposed in this RFP since January 1, 2017.
  - g. Any litigation alleging the violation of fiduciary responsibility since January 1, 2017.
  - h. Any breach since January 1, 2017 in the privacy of confidential information about customers.
  - i. Any claims, disputes, litigations or other legal proceedings involving the Commonwealth of Virginia or any of its agencies, since January 1, 2017.
  - j. Any business relationships, that may be construed to be potential or actual conflicts of interest. The Firm will have a continuing requirement to disclose any business relationships that may be construed to be a potential or actual conflict. The disclosure must be sufficiently detailed to inform the Board of the nature, implications and potential consequences of each conflict and must include an explanation of how the Contractor addresses, or intends to manage or mitigate, each conflict.
10. Please specify whether there are any required services included in Section 4.2, Scope of Work, that you are unwilling or unable to provide.

#### **4.3.2 RECORDKEEPING AND ADMINISTRATION**

1. Will you provide one main contact for the daily administrative needs of the Program?
  - a. If yes, how many plans does this administrator manage?
  - b. If no, please describe how you will otherwise meet the daily administrative needs of the Program.
2. Describe your IRA compliance practices and procedures, including compliance resources that will be available to the Program.
3. Describe the assistance you will provide VA529 to register and onboard Eligible Employers.
4. Describe the enrollment process for Program Participants.
5. Provide samples of documentation your Firm has produced including IRA enrollment and beneficiary designation forms, Operational Manuals, Program Disclosure Statement, IRA Disclosure Statement and employer reports. If your Firm has not created these documents in the past, please describe how you will provide these documents.
6. Describe the contribution methods you offer.
7. Describe your distribution methods and processes.

8. Provide a Project Plan for a pilot launch (eligible for participant contributions) during the first quarter of 2023 and a full Program launch (eligible for participant contributions) on or before July 1, 2023. Identify any conditions that could either cause a delay to or allow an earlier launch of either the pilot or the Program.
9. Describe in detail, including scope of Program Participant services, timing and workflows, how you will handle:
  - a. Rollovers to another IRA or qualified retirement plan
  - b. Rollovers from another IRA or qualified retirement plan
  - c. Transaction confirmations, including the available delivery options (print, on-line, email, text, etc.)
10. Describe in detail how your Firm handles processing errors. Please indicate how you will decide on your correction approach and how the error and the communication approach will be communicated to VA529, employers and Program Participants.
11. How do you monitor Program Participant contribution limits? Describe what steps, if any, are taken if limits are exceeded.
12. Describe your procedures for monitoring Participant satisfaction.
13. Describe your beneficiary services, including gathering and storing beneficiary information, prompting Program Participants to update beneficiaries, and accessing beneficiary information in the event of the Program Participant's death.
14. In order to fulfill its fiduciary duties, VA529 desires options for analyzing and reviewing Program Participant data/trends based on the following account information:
  - a. Program Participant name, address, email, date of birth, gender, and race;
  - b. Salary information;
  - c. Investment option(s) selected;
  - d. Amounts held in accounts and balances among investment options selected;
  - e. Periodic transaction summaries in aggregate and individually; and
  - f. Business entity Standard Industry Code (SIC)

Describe how the Firm would provide access to this and other required information.

15. Describe your customization capabilities for Program Participant-level statements.
16. What type of reporting will you provide the VA529 Board on a monthly, quarterly, and annual basis?
17. Describe your views on offering a traditional IRA in the Program and your ability to offer a traditional IRA upon initial Program launch.
18. How will your recordkeeping system handle auto-escalation of default contribution rates? How will your system determine when annual auto-escalations are initiated for each participant?

19. List the information you are able to track and report on regarding escalation data. Indicate whether you can separately track and report data on defaulted escalations versus self-directed escalations.
20. Describe your experience with onboarding and servicing multiple employers across various payroll systems into any retirement savings program. Describe how you integrate payroll systems used by employers of various sizes.
21. Identify any payroll deduction processes that are done manually.
22. List the payroll providers integrated with your recordkeeping system and indicate the degree of integration, including integrations expected through 2022.
23. List the tasks, if any, you would expect an employer to perform on your system on a monthly basis.
24. Describe the online IRA platform services available to employers, including registering employees and accessing materials, instructions, processing of disclosure receipt acknowledgement, webinars/videos, training materials, and customer service. Describe how the employer exports employee data.
25. Describe your process for accepting and remitting payroll contributions, including data verification, timely remission of contributions and adherence to IRA contribution limits.

### **4.3.3 PARTICIPANT EXPERIENCE AND SERVICE**

#### *Participant Web and Mobile Services*

1. Describe the level of customization available within the Employer and Participant portals, and mobile-responsive site.
2. Provide an example of a live web portal that a Program Participant would visit to conduct transactions for their account. Please indicate the browsers supported for web access.
3. Describe the account services, transaction capabilities, and educational content that are available through your Program Participant web portal and/or mobile-responsive site.
4. If a mobile app is available, please indicate the operating systems supported (e.g., Apple, Android, etc.).
5. Describe the extent to which the web portal and mobile-responsive capabilities are accessible to Program Participants with disabilities. Please include all common types of visual, hearing, motor, and cognitive disabilities. Describe the process by which a user-reported accessibility issue is addressed.
6. Do you provide text alerts via mobile devices? If so, please describe.
7. How are website and mobile transactions processed and documented? Are there any transactions that cannot be processed online? If so, please describe.

8. Describe how Program Participants are authenticated on the website or mobile app and how that authentication is integrated with the voice response system (VRS) or call center.
9. Describe your e-delivery capabilities, including the availability of any documents in electronic form including, but not limited to: Program information, statements, confirmations, tax forms, notices and disclosures, investment information, and educational content.
10. Describe how data is secured within the system (i.e., audit trail, confirmations).
11. Will your Program Participant portal offer chat with a live representative? If so, please indicate times chat is available.

#### *Voice Response System (VRS)*

1. Describe the services available through your VRS.
2. Does your VRS utilize natural language technology?
3. Describe how data is secured within the VRS (i.e., PIN, audit trail, confirmations).
4. Is the VRS available twenty-four (24) hours a day, seven (7) days a week? If not, what are the standard hours of operation?
5. Are there any transactions that cannot be processed through the VRS?
6. Is the menu easy for Program Participants to use? Does it include “help” information? Please describe the structure in detail.
7. Can a Program Participant elect to move from the VRS to a call center service representative?

#### *Contact Center Operations*

1. What initial and ongoing training, reference, and communication resources are provided to service center representatives? What information about IRA-specific requirements and state-facilitated IRA savings programs is available to call center representatives to allow them to effectively answer Program Participant questions?
2. Are your representatives licensed? If so, what licenses do they carry?
3. What are the hours of operation for your call center representatives?
4. Provide the following call center statistics for the quarter ending December 31, 2021. Identify the program(s) to which the call center statistics are related:
  - a. Number of calls
  - b. Number of calls answered
  - c. Number of calls abandoned
  - d. Average wait time
  - e. Average talk time
  - f. Average hold time

5. Do you monitor and/or record calls to your call center?
6. How do you monitor the quality of services provided by the representative?
7. Describe the process a call center representative may use to authenticate a Program Participant prior to servicing an account. If an authentication application system and/or software is used, please describe in detail.
8. What are the procedures for calls that cannot be satisfactorily resolved at the point of call?
9. Describe your methodology for handling peak volume call center periods.
10. Can your representatives text, email or fax responses and documents to Program Participants?
11. How do you measure Program Participant satisfaction with your call center? Will this information be available to VA529 by employer and for the overall Program?

#### *Communication and Education*

1. What templates and resources are available for communication and education materials?
2. Provide a sample of information and communication materials provided to participants in the programs you currently offer. Please provide materials that describe the accounts, investment options, contributions to and distributions from the account, etc.
3. Describe your communication best practices for Program launch, as well as ongoing communication and financial education and financial planning services. Please describe whether any education services will be offered for low- to moderate-income participants in particular.
4. Please describe any capabilities you have to personalize the web portal, mobile, or print content for each Program Participant. Describe any capabilities you have to target messaging to certain participants only.
5. Describe the resources you will make available to support employer engagement through enrollment meetings, Program education and employer platform assistance.
6. Describe the tools and resources (i.e., personal questionnaires, calculators, gamification, and other interactive resources) you provide to assist Program Participants with financial planning and education? Will they be available via the Program Participant portal or any mobile devices?
7. Describe the process you will use to help VA529 measure the effectiveness of Program Participant education efforts.

#### **4.3.4 SYSTEM CAPABILITIES AND HARDWARE**

1. Describe the hardware platform and software system you will use to record keep and administer the Program.
2. What checks and balances do you have in place to assure transactional integrity? In the event of a recordkeeping error within your control, will you be financially responsible for making Program Participants and/or VA529 whole?

3. Describe the database and information technology platform utilized by the Firm to provide the Program for VA529. Discuss whether the infrastructure/platform is cloud-based or on premise and, (i) if cloud-based, what cloud service does the Firm utilize, identify the vendor and whether we may avoid shared tenancy, (ii) if on premise, are servers on-site or does the Firm use a hosting service and who provides the Firm's database and sysadmin functions?
4. What system enhancements do you have planned over the next three years for:
  - a. Data management and retrieval
  - b. Core recordkeeping system
  - c. Service technology
  - d. Website
  - e. Mobile site/apps
  - f. Call center and VRS
  - g. Integration with external parties
  - h. Other planned system enhancements
5. Describe your maintenance and backup procedures including daily backups, retention timetable and off-site backup storage approach. Where are your off-site backup facilities located?

#### **4.3.5 INFORMATION SECURITY**

1. Describe the data centers utilized by your Firm and location(s). Provided VA529 data must remain in the contiguous United States, please explain if there are any offshore data center locations or are they solely based in the United States.
2. Describe your Firm's data security practices to assure Program administration integrity and protection of Program Participant account data. Do you have a policy in place to deal with cybersecurity and information security attacks (e.g., identity theft, fraud) on Program Participant accounts?
3. Briefly describe the Firm's continuity of operations and disaster recovery plans.
4. Briefly describe the Firm's security certifications and the security standards with which it complies.
5. Describe data and transaction storage capabilities and how long the Firm will store Program account and transactional data.

#### **4.3.6 INVESTMENTS**

1. Discuss your Firm's ability to provide an open architecture investment lineup for the Program. Please provide the number of funds available under your Firm's recordkeeping platform. Please disclose any restrictions.
2. If the Program desires a change in funds, how many days are required to add, delete, or replace an external fund on your platform?



3. Please provide the types of investment fund options that your Firm can accommodate on your recordkeeping platform (i.e., mutual funds, exchange traded funds, insurance company separate accounts, bank collective trusts, etc.).
4. How will your Firm support the Program with fund fact sheets and performance summaries for the investment options available to Plan Participants?
5. Describe how you would provide a timely review and analysis of key events that could potentially affect investment options, the underlying investments, and your organization.

**4.3.7 PRICING AND FEES**

1. Please complete the following table and list all fees charged to a Participant’s account, including asset-based and dollar-based fees. You may propose fees in the alternative describing what fees would be in 100% asset-based model, 100% dollar-based model (monthly/quarterly set fee) or a hybrid model. Please also indicate whether any of these fees would decrease as the asset base or number of accounts increase. If so, then provide the exact breakpoints for those fees. Create as many rows as needed to provide the breakpoint schedule.

	<b>Asset or Account Level</b>	<b>Dollar-Based Fee</b>	<b>Asset-Based Fee</b>
<b>[Fee 1 Name]</b>			
<b>[Fee 2 Name]</b>			
<b>Etc.</b>			

For each fee, please also indicate:

- a. The purpose of the fee
- b. Whether it is one-time or ongoing
- c. Whether it is charged directly or through an account adjustment
- d. Whether it is accounted for or accrued in determining daily investment share/unit value

**Note:** If your bid includes dollar-based Program administration fees, those fees will be converted to basis points assuming an average account size of \$10,000 (Asset Weighted Fees).

2. Specify any additional fees or expenses that would apply to administration of transactions within Program accounts. Unless fees or expenses are included in this response, they will not be accepted.
3. Please describe any cost associated with termination of the contract or conversion to another Program administrator.
4. Indicate your willingness to commit to VA529 that the fees associated with the Program will be reduced to terms that are at least as favorable as any other [Mandatory Auto-IRA Program] to be managed by the Firm now or in the future.

## 5. EVALUATION CRITERIA AND AWARD

### 5.1 Evaluation Criteria

All proposals will be reviewed by an Evaluation Committee. The initial review of proposals will confirm that all information has been submitted in conformity with the requirements of this RFP. The absence of required information will cause the proposal to be deemed nonresponsive and may result in the proposal's disqualification. Responsive proposals will then be scored according to criteria herein.

The Evaluation Committee will be composed of VA529 staff. Members of the Committee may seek the analysis and expertise of the Program Advisory Committee and consultants during review of the proposals. Bidders will be evaluated based upon the quality of their background and personnel; the Firm's experience providing services; the quality of the work plan presented; proposed fee(s); and, potentially, interviews. Staff will present a recommendation to the VA529 Board at the June 2022 Board meeting.

Proposals will be evaluated using the following criteria:

<b>Evaluation Criteria</b>	<b>Points</b>
Organization and History	15
Recordkeeping and Administration	20
Participant Experience and Service	15
System Capabilities and Hardware	10
Information Security	10
Investments	5
Pricing and Fees	10
Implementation Statement of Work (implementing all deliverables and scope facets and specific methodology used).	15
<b>Total</b>	<b>100</b>

The following point scale will be used to score the responses to each scored category except with regard to fees.

<b>Points Awarded</b>	<b>Interpretation</b>	<b>General Basis for Point Assignment</b>
100%	Exceptional	Category is addressed with the highest degree of confidence in the bidder's response. The response exceeds the Board's needs, requirements, or expectations with superior background/experience/expertise.
80%	Excellent	Response fully meets the Board's needs, requirements, or expectations with a high degree of confidence in the bidder's response. Bidder offers one or more enhancing feature, method, or approach exceeding basic expectations.
60%	Good	Response fully addresses category being scored. Good degree of confidence in the bidder's response. Minimal weaknesses are acceptable.
40%	Adequate	Response (i.e., content and/or explanation offered) is adequate to meet the Board's needs, requirements, or expectations. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.

Points Awarded	Interpretation	General Basis for Point Assignment
20%	Minimally adequate	Minimally addresses the category being scored, but one or more major considerations of the category are not addressed or addressed in such a limited way that it results in a low degree of confidence in the bidder's response.
0%	Inadequate	Fails to address any portion of the category being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.

Points for Pricing and Fees will be awarded as follows:

The proposal(s) with lowest calculated Asset Weighted Fees provided in the response to Question 1 in Section 4.3.7 shall be awarded the maximum points shown under Evaluation Criteria in this Section 5.1. All other Firms will be awarded points based on the relationship between each Firm's calculated Asset Weighted Fees and those of the lowest bid Firm. For example, if the lowest Asset Weighted Fee is 75 basis points, and the next lowest Asset Weighted Fee is 100 basis points, then the factor will be 75/100 or  $\frac{3}{4}$ , and the next lowest bid will be awarded  $\frac{3}{4}$  of the maximum points shown in the Evaluation Criteria table above.

## 5.2 Award Criteria

Selection shall be made of a Firm deemed to be fully qualified and best suited among those submitting proposals based on the evaluation factors in the RFP, including fees. However, the award may be to a Firm that does not represent the lowest cost proposal.

## 6. GENERAL TERMS AND CONDITIONS

### 6.1 Execution.

Execution and submission of a response to this RFP shall constitute agreement to all terms and conditions specified in the RFP, except such terms and conditions that the Firm expressly asks to exclude. Requests for exceptions to the general contractual provisions in this Section 4 will be taken into consideration as part of the evaluation process. Virginia529 reserves the right to negotiate final contract terms with the selected Firm in order to arrive at a mutually-agreeable contract. Should a mutually-agreeable contract not be arrived at within a reasonable period of time as determined solely by Virginia529, Virginia529 reserves the right to rescind the award and select another Firm. Virginia529 also reserves the right to reject all responses and not select any Firm. A final Agreement will be executed incorporating the following: The Agreement; the RFP and the selected Firm's proposal; any modifications and clarifications thereto that are submitted at the request of Virginia529 during evaluation and negotiation process. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence; the final executed Agreement; the RFP; any approved modifications and clarifications to the selected Firm's proposal; and the selected Firm's proposal.

### 6.2 Applicable Laws And Courts.

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia. The venue for any claim or dispute arising out of or related to this

Agreement shall be in state court located in Chesterfield County, Virginia. The Firm shall comply with all applicable federal, state, and local laws, rules and regulations.

### **6.3 Anti-Discrimination.**

By submitting their proposals, Firms certify to Virginia529 that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, and where applicable, the Virginians with Disabilities Act, the Americans with Disabilities Act. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (Code of Virginia § 2.2-4343.1E).

6.3.1 During the performance of this contract, the Firm agrees as follows:

6.3.1.1 The Firm will not discriminate against any employee or applicant for Employment because of race, religion, color, sex national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Firm. The Firm agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause including the names of all contracting Commonwealth agencies with which the Contracting Party has contracts of over \$10,000.

6.3.1.2 The Firm, in all solicitation or advertisements for employees placed by or on behalf of the Firm, will state that such Firm is an equal opportunity employer. However, notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of Virginia Code § 2.2-4200.

6.3.1.3 Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

### **6.4 Ethics in Public Contracting.**

By submitting their proposals, Firms certify that their Proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Firm, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

### **6.5 Immigration Reform And Control Act of 1986.**

By entering into a written contract with Virginia529, the Firm certifies that the Firm does not, and shall not during the performance of the contract; knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

## **6.6 Debarment Status.**

By submitting their proposals, Firms certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

## **6.7 Antitrust.**

By entering into a contract, the Firm conveys, sells, assigns, and transfers to Virginia529 all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by Virginia529 under said contract.

## **6.8 Mandatory Use of State Form And Terms And Conditions For RFPs:**

6.8.1 Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, Virginia529 reserves the right to decide, on a case-by-case basis, in its sole discretion, whether to reject such a proposal.

## **6.9 Clarification Of Terms.**

If any Firm has questions about the specifications or other solicitation documents, the Firm should contact the person identified in Section 1.3 in writing no later than 2/18/2022, 5:00 P.M. EST. Any revisions to the solicitation will be made only by addendum issued by Virginia529.

## **6.10 Payment.**

- 6.10.1 Firm shall submit itemized invoices for services, including a description of such services, preferably by electronic mail, directly to [finance@virginia529.com](mailto:finance@virginia529.com) or by mail to Controller, 9001 Arboretum Parkway, North Chesterfield, Virginia, 23236. All invoices shall show Firm's federal employer identification number.
- 6.10.2 Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- 6.10.3 All goods or services provided under this contract that are to be paid for with public funds shall be billed by the Firm at the contract price, regardless of which public agency is being billed.
- 6.10.4 The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- 6.10.5 Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Firms should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, Virginia529 shall promptly notify the Firm, in writing, as to those charges which it considers unreasonable and the basis for the determination. A Firm may not institute legal action unless a settlement cannot be reached within 30 days of notification.

The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (Code of Virginia, § 2.2-4363).

- 6.10.6 Payments to Subcontractors. A Firm awarded a contract under this solicitation is hereby obligated to pay any pre-approved subcontractor(s) within 7 days of the Firm's receipt of payment received for work performed by the subcontractor(s) under the contract; or to notify Virginia529 and the subcontractor(s), in writing, of the Firm's intention to withhold payment and the reason.

### **6.11 Precedence Of Terms.**

The following named terms in this Section 4. General Terms and Conditions shall apply in all instances: APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

### **6.12 Qualifications Of Firms.**

Virginia529 may make such reasonable investigations as deemed proper and necessary to determine the ability of the Firm to perform the services/furnish the goods and the Firm shall furnish to Virginia529 all such information and data for this purpose as may be requested. Virginia529 reserves the right to inspect the Firm's physical facilities prior to award to satisfy questions regarding the Firm's capabilities. Virginia529 further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Firm fails to satisfy Virginia529 that such Firm is properly qualified to carry out the obligations of the contract and to provide the services and or furnish the goods contemplated therein.

### **6.13 Testing And Inspection.**

Virginia529 reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

### **6.14 Assignment Of Contract.**

A contract shall not be assignable by the Firm in whole or in part without the written consent of Virginia529.

### **6.15 Changes To The Contract.**

The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

### **6.16 Default.**

In case of failure to deliver goods or services in accordance with the contract terms and conditions, Virginia529, after due oral or written notice, may procure them from other sources and hold the Firm responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which Virginia529 may have.

## **6.17 Insurance.**

By signing and submitting a bid or proposal under this solicitation, the Firm certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. If any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with applicable state law. The Firm further certifies that the Firm and its subcontractors will maintain this insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

### MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

- 6.17.1 Workers' Compensation – Statutory requirements and benefits.  
Coverage is compulsory for employers of three or more employees, to include the employer. Firms who fail to notify Virginia529 of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.
- 6.17.2 Employer's Liability - \$100,000.
- 6.17.3 Commercial General Liability - \$3,000,000 per occurrence; \$5,000,000 aggregate limit. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. Virginia529 must be named as an additional insured and so endorsed on the policy.

## **6.18 Announcement Of Award.**

Upon the award or the announcement of the decision to award a contract as a result of this solicitation, Virginia529 will publicly post such notice on the Agency's website for a minimum of 10 days.

## **6.19 Drug-Free Workplace.**

During the performance of this contract, the Firm agrees to (i) Provide a drug-free workplace for the Firm's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Firm's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Firm that the Firm maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000 so that the provisions will be binding upon each subcontractor or Firm.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a Firm, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

## **6.20 Nondiscrimination Of Firms.**

A Firm shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the Firm employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

## **6.21 Availability Of Funds.**

It is understood and agreed between the parties herein that Virginia529 shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this agreement.

## **6.22 Bid Price Currency.**

Unless stated otherwise in the solicitation, Firms shall state offer prices in US dollars.

## **6.23 Authorization To Conduct Business In the Commonwealth.**

A Firm organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the Virginia Public Procurement Act shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

## **6.24 Indemnification.**

Firm agrees to indemnify, defend, and hold harmless Virginia529, its board members, employees, and agents, with respect to any demand, cause of action, debt, or liability, including reasonable attorneys' fees and costs, to the extent based upon a claim that: (i) arises out of the negligence, recklessness, or willful misconduct of Firm or (ii) alleges that the Work Product, Third Party IP or the services performed by Firm pursuant to this Agreement infringe or otherwise violate any intellectual property right of any third party.

## **6.25 HANDLING AND TREATMENT OF CONFIDENTIAL PERSONAL INFORMATION.**

- 6.25.1 At all times during and after the provision of services to Virginia529, Firm shall hold any and all nonpublic personal information, as defined in Section 6809 of the Gramm-Leach-Bliley Act corresponding regulations, (Confidential Personal Information) in strict confidence for use solely in connection with its obligations hereunder. Firm shall not disclose or disseminate or permit any employee, agent or other person to disclose or



disseminate the existence, source, content or substance of any Confidential Personal Information to any other third party. Furthermore, Firm shall limit its disclosure of the Confidential Personal Information to employees within its own organization whom Virginia529 could reasonably expect to have a legitimate need to have access to such Confidential Personal Information in order to accomplish the obligations of this Agreement.

- 6.25.2 The parties agree that all Confidential Personal Information concerning Virginia529's customers (including prospective and former customers) to which Firm has access in connection with this Agreement shall be deemed to be Confidential Personal Information of Virginia529. Firm shall have access (and may afford access to third parties) to such information only as necessary to carry out Firm's obligations hereunder and that such information shall not be used for any purpose other than as provided for herein. Such Confidential Personal Information may not be disclosed to any third party without the express written consent of Virginia529 and as may be required or permitted under applicable law. Such information shall be accessed and disposed of (i) in accordance with the requirements of applicable law (including, without limitation, the privacy and security provisions of the federal Gramm-Leach-Bliley Act and applicable regulations and the provisions of the federal Fair Credit Reporting Act and applicable regulations), (ii) consistent with the initial, annual and/or amended privacy notices of Virginia529, and (iii) otherwise in accordance with the provisions of this Agreement. Firm shall be responsible for any breach of this Agreement by any of its employees, agents, and representatives, and agrees, at its sole expense, to take all necessary measures to restrain its employees, agents, and representatives from prohibited or unauthorized disclosure or use of the Confidential Personal Information in violation of this Agreement. Firm agrees that they shall at all times protect the security and confidentiality of such information and maintain security measures in accordance with the regulations implementing the federal Gramm-Leach-Bliley Act's provisions relating to the safeguarding and security of customer information and shall employ the same standard of care as with their own Confidential Personal Information, which in any case shall not be less than reasonable care. Upon Virginia529's request, Firm shall afford Virginia529, its agents, employees and third party auditors access and assistance necessary to review, audit and verify to Virginia529 the adequacy of such security measures and the compliance of Firm with those measures. The expenses of such reviews, audits and auditors shall be borne by Virginia529.
- 6.25.3 Nothing in this Agreement will prohibit or limit Firm's use of Confidential Personal Information which (a) was in Firm's possession or was previously known to Firm before it was disclosed to Firm or its personnel by Virginia529; (b) is or becomes publicly available through no breach by Firm of this Agreement; (c) is received by Firm from a third party (other than Virginia529 or its representatives) who has a lawful right to disclose such information without any known obligation to restrict its further use or disclosure; or (d) is independently developed by Firm without use of or reference to Virginia529's Confidential Personal Information. In addition, Firm will not be considered to have breached its obligations under this Agreement to the extent Confidential Personal Information is required to be disclosed by any court or other governmental or regulatory authority or body, provided Firm, to the extent practicable, advises Virginia529 prior to making such disclosure in order that Virginia529 may object to such disclosure, take action to ensure confidential treatment of the Confidential Personal Information, or take such other action as it considers appropriate to protect the Confidential Personal Information.

## 6.26 HANDLING AND TREATMENT OF PROPRIETARY INFORMATION.

- 6.26.1 “Proprietary Information” means all information, technology, data, patents, trademarks, copyrights or applications, know-how, processes, design, specifications, samples, inventions, ideas, past, current and planned research and development, current and planned sales and distributions methods and processes, customer lists, current and anticipated customer requirements, price lists and financial information, trade secrets or confidential or proprietary information designated in writing or orally as confidential by Virginia529. Proprietary Information also means any notes, analyses, compilations, studies, interpretations, memoranda, copies, derivative works, or other documents prepared by Firm or its employees, agents and representatives that contain, reflect or are based upon, in whole or in part, Proprietary Information furnished to Firm, including its employees, agents and representatives, pursuant to this Agreement. Without limiting the generality of the foregoing, Proprietary Information shall also be deemed to include all lists or other compilations that identify Virginia529 or business partners (including customer lists), and any other Virginia529 confidential information regardless of whether such information has been designated as confidential or proprietary information.
- 6.26.2 Firm (including its employees, agents, and representatives who are permitted to review Proprietary Information pursuant to the third sentence of this paragraph), shall use the Proprietary Information only for the purpose of providing the services contemplated by the parties to this Agreement, and the Proprietary Information shall not be used for any other purpose without the prior written consent of Virginia529. Firm, including its employees, agents, and representatives, shall hold in confidence, and shall not disclose to any third party any Proprietary Information of Virginia529; provided, however, that Firm may make any disclosure of such information to which Virginia529 gives its prior written consent or which is required by law, regulation or decree. Proprietary Information may only be disclosed to the employees, agents and representatives of Firm who: (i) are necessary to carry out Firm’s obligations hereunder, and (ii) are informed of the confidential nature of such information and of the terms of this Agreement. Firm shall be responsible for any breach of this Agreement by any of its employees, agents, and representatives, and agrees, at its sole expense, to take all necessary measures to restrain its employees, agents, and representatives from prohibited or unauthorized disclosure or use of the Proprietary Information in violation of this Agreement.
- 6.26.3 Nothing in this Agreement will prohibit or limit Firm's use of Proprietary Information which (a) was in Firm’s possession or was previously known to Firm before it was disclosed to Firm or its personnel by Virginia529; (b) is or becomes publicly available through no breach by Firm of this Agreement; (c) is received by Firm from a third party (other than Virginia529 or its representatives) who has a lawful right to disclose such information without any known obligation to restrict its further use or disclosure; or (d) is independently developed by Firm without use of or reference to Virginia529’s Proprietary Information. In addition, Firm will not be considered to have breached its obligations under this Agreement to the extent Proprietary Information is required to be disclosed by any court or other governmental or regulatory authority or body, provided Firm, to the extent practicable, advises Virginia529 prior to making such disclosure in order that Virginia529 may object to such disclosure, take action to ensure confidential treatment of the Proprietary Information, or take such other action as it considers appropriate to protect the Proprietary Information.

6.27 **SEXUAL HARASSMENT POLICY AND TRAINING.**

6.27.1 For Agreements over \$10,000: if the Firm employs more than five employees, it shall (i) provide annual training on the Firm's sexual harassment policy to all supervisors and employees providing services in the Commonwealth of Virginia (Commonwealth), except such supervisors or employees that are required to complete sexual harassment training provided by the Commonwealth's Department of Human Resource Management (DHRM), and (ii) post the Firm's sexual harassment policy in (a) a conspicuous public place in each building located in the Commonwealth that the Firm owns or leases for business purposes and (b) the Firm's employee handbook. For more information on DHRM training, please visit: [www.dhrm.virginia.gov/public-interest/contractor-sexual-harassment-training](http://www.dhrm.virginia.gov/public-interest/contractor-sexual-harassment-training).

6.28 **Subcontract/Purchase Order**

6.28.1 For Agreements over \$10,000: the Firm shall include the provisions of this agreement's sections entitled "Anti-discrimination and "Sexual Harassment Policy and Training" in every subcontract or purchase order under this Agreement of over \$10,000, so that such provisions shall be binding upon each subcontractor or vendor in accordance with Va. Code § 2.2-4201.

6.29 **Headings**

6.29.1 All section headings contained in this Agreement are for the sole purpose of clarification and convenience of reference and are not intended to limit or expand the scope of any provision of this Agreement.

6.30 **No Waiver of Sovereign Immunity or Contractual Breach**

6.30.1 Nothing in this Agreement shall be deemed or construed as an express or implied waiver of the sovereign immunity of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth of Virginia. Failure of either party to this Agreement to object to or to take affirmative action with respect to any conduct of the other which is in violation of the terms of this Agreement shall not be construed as a waiver of the violation or breach, or of any future violation or breach.

6.31 **Audit**

6.31.1 The Firm shall retain all books, records, and other documents relative to this Agreement for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. VA529, its authorized agents, or Commonwealth auditors shall have full access to and the right to examine any such materials during this period upon reasonable notice.

6.32 **No Third-Party Beneficiaries**

6.32.1 This Agreement is solely for the benefit of the Firm and VA529 and shall not be construed as conferring any rights on any third party.

6.33 **Representations, Warranties and Covenants**

6.33.1 Each party represents, warrants, and covenants that it has the full legal right, power and authority to execute and deliver this Agreement and to perform its respective obligations hereunder.