



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

OHIO DEFERRED COMPENSATION

REQUEST FOR PROPOSALS (RFP) FOR A 457(b) Plan ENROLLMENT, EDUCATION, AND CUSTOMER SERVICE PROVIDER

Issue Date: June 3, 2013

Written Question Deadline: June 28, 2013

Proposal Deadline: August 16, 2013 at 4:00 p.m.
Ohio Deferred Compensation
Jim Heagen
257 E. Town St., Suite 400
Columbus, OH 43215-4623

RFP Contact: Jim Heagen
Assistant Director, Administration
Phone: (614) 466-7245
Fax: (614) 728-2601
Email: jheagen@OhioDC.org

Description: The Ohio Deferred Compensation Program is requesting proposals for an Enrollment, Education, and Customer Service Provider. The Program has its own recordkeeping system. Therefore, those services are not part of the scope of services for this RFP.

A copy of this RFP can be obtained from the Ohio Deferred Compensation employer website at <http://OhioDC.org/SitePages/RFI.aspx>. Until the expiration date of this solicitation, Vendors are responsible for checking this website for additional information and/or addendums. RFPs can also be obtained from Ohio Deferred Compensation, 257 E. Town St., Ste 400, Columbus, OH 43215-4623. If you have any questions, please call (614) 466-7245.

Written questions regarding the substance of the RFP or Scope of Services must be submitted via email to Jim Heagen at jheagen@OhioDc.org no later than June 28, 2013.



OHIO DEFERRED COMPENSATION

Summary of Key Items Required for a Valid Proposal

1. Transmittal Letter affirming authorized representative.
2. One original proposal, ten hard copy proposals, and one electronic copy are due prior to the Proposal Deadline indicated above and must be delivered to Ohio Deferred Compensation, located at 257 East Town Street, Suite 400, Columbus, OH 43215. The electronic copy can be sent to jheagen@OhioDC.org.
3. Separate sealed cost proposal.

Late proposals will not be accepted.

TABLE OF CONTENTS

I.	CALENDAR OF EVENTS	4
II.	INTRODUCTION.....	5
III.	BACKGROUND AND GENERAL INFORMATION	6
IV.	GENERAL CONDITIONS	13
V.	CONTRACT REQUIREMENTS	15
V.	SCOPE OF SERVICES	20
VII.	TECHNICAL PROPOSAL	25
VIII.	COST PROPOSAL	36
V.	EVALUATION CRITERIA AND SELECTION PROCESS	39
IX.	INSTRUCTIONS FOR SUBMITTING PROPOSALS	41

OHIO DEFERRED COMPENSATION REQUEST FOR PROPOSALS

I. CALENDAR OF EVENTS

6/3/2013	Release of RFP
6/14/2013	Deadline for submission of Letter of Intent
6/19/2013	Proposers' conference at the Board office at 1:00 p.m. at 257 East Town Street, Suite 400, Columbus, OH 43215-4623
6/28/2013	Deadline for receipt of written questions regarding this RFP
7/12/2013	Responses to all written questions will be emailed to all vendors that submit a Letter of Intent
08/16/2013	Deadline for receipt of completed proposals
October	Board presentations by final candidates (date TBD)
11/19/2013	Recommendation to Board on proposals
1/03/2014	Contract negotiations and draft contract complete
1/21/2014	Board action on Customer Service Contract
7/1/2014	Contract for enrollment, education, and customer service begins

Ohio Deferred Compensation reserves the right to amend the Calendar of Events as needed.

II. INTRODUCTION

The Ohio Public Employees Deferred Compensation Board (Board) is seeking proposals for an enrollment, education, and customer service provider (Provider) to provide services for the Ohio Public Employees Deferred Compensation Program (Program), which administers a 457(b) plan for Ohio public employees. The selected Provider will begin enrolling participants and employers and offering education and customer service for the five-year period from July 1, 2014 through June 30, 2019.

The Board operates through its Executive Director and staff and references to the Board in the RFP should generally be construed as the Executive Director for day-to-day operations and reporting. The Board will continue to provide the administrative and recordkeeping functions for the Program.

Each company must submit a proposal for the Scope of Services and for the optional services specified in the Request for Proposal (RFP). Each company may submit one Alternative Proposal. If an Alternative Proposal is submitted, the respondent must clearly differentiate the level of services to be provided from the level described in the Scope of Services and describe the potential impact.

The Background and General Information section that follows provides a brief description of Program operations and generally describes the level of services that are provided. This description is not an exhaustive list of the services provided and the respondent should evaluate the services needed based on their knowledge and experience in servicing defined contribution plans in the public sector marketplace. Visit the participant website at www.Ohio457.org to view the Plan Document and related plan details and forms.

III. **BACKGROUND AND GENERAL INFORMATION**

The Program is an eligible deferred compensation plan and is administered in accordance with Section 457 of the Internal Revenue Code (IRC). The Program provides a supplemental retirement savings plan for public employees in Ohio who are covered by one of the State authorized pension systems. Eligible employees are not covered by Social Security. Many public employers also provide competing 457(b) plans or 403(b) plans.

The Program is a separate legal entity, and is not considered a component unit of the State of Ohio. All assets of the Program are held in trust for the exclusive benefit of participants and their beneficiaries. The Program's current *Comprehensive Annual Financial Report*, which includes statistical information regarding Program participation, is available at the Program's employer website www.OhioDC.org.

Over 1,800 public employers throughout Ohio participate in the Program. Total Program assets exceed \$9 billion. Program features include a SMarT automatic deferral increase, EZ enrollment, Unforeseeable Emergency Withdrawals, and Qualified Domestic Relations Orders. The Program currently does not offer loans, Roth 457 or Roth IRA options, brokerage window, managed accounts or investment advice.

ELIGIBLE EMPLOYEES

The total number of eligible employees, number of participant accounts, number of actively deferring participants, and average annual deferrals for the past three years, as well as the 2013 projections, are shown below. Eligible employees include both participating and non-participating employees, and approximately 180,000 employees who are also eligible to participate in IRC Section 403(b) programs.

	Eligible Employees	Total Participant Accounts	Active Participants	Average Annual Deferral
2010	691,820	199,945	108,100	\$4,122
2011	685,612	200,059	104,840	\$4,272
2012	675,100	202,900	105,250	\$4,050
2013 (est.)	670,000	205,000	105,000	\$3,952

PLAN ASSETS

The following table shows total Program assets and annual deferrals at the end of the year for the past three years, as well as a projection for the current year.

	Total Program Assets	Annual Deferrals
2010	\$8,254,073,274	\$445,500,000
2011	\$8,341,498,375	\$448,600,000
2012	\$9,396,746,530	\$426,300,000
2013 (est.)	\$9,700,000,000	\$415,000,000

INVESTMENT OPTIONS

There are 17 investment options available within the Program (target date funds are considered a single option). The investment options are regularly evaluated and the funds listed may not be the funds being offered on July 1, 2014.

The Board and its staff administer a Stable Value Option (SVO). The SVO is composed of nine different investment pools of funds. Money managers may be changed as the Board deems necessary. Each quarter the Board sets the crediting rate at the weighted average of the book value guarantees for each pool. The crediting rate was 2.40% for the second quarter of 2013.

INVESTMENT OPTIONS	
<u>Capital Preservation</u> Stable Value Option	<u>Mid-Cap Funds</u> Vanguard Capital Opportunity
<u>LifePath Portfolios</u> LifePath Retirement LifePath 2015 LifePath 2020 LifePath 2025 LifePath 2030 LifePath 2035 LifePath 2040 LifePath 2045 LifePath 2050	<u>Large-Cap Funds</u> Dodge & Cox Stock Fidelity Contrafund Fidelity Growth Company Janus Twenty Vanguard Institutional Index
<u>International Funds</u> Templeton Foreign Vanguard International Growth Vanguard Total International Stock Index	<u>Balanced Funds</u> Dodge & Cox Balanced
<u>Small-Cap Funds</u> FPA Capital Hartford Small Company Vanguard Small Cap Index	<u>Bond Funds</u> PIMCO Total Return Vanguard Total Bond Market Index

ENROLLMENT, EDUCATION, AND CUSTOMER SERVICE

The term of the Board's current contract for enrollment, education, and customer service began on July 1, 2006 and expires on June 30, 2014. The Provider employs 46 persons dedicated to Program activities, including 15 full-time licensed salaried field Account Executives, who are geographically disbursed throughout Ohio, and 21 licensed internal Account Executives at the Columbus office, three administrative support employees, four Retirement Planning Specialists, and three management employees.

Plan Level

External field Account Executives contact potential Program eligible employers to determine interest in the Program. Existing Program employers are contacted regularly to schedule presentations, provide written materials, and provide Program specific information to employer payroll officers. The Board also requires the development of an annual service plan and presentation of service activity reports to the Board at its bi-monthly meetings.

Participant Level

Field Account Executives perform the following services:

- Provide in-field service to employees, including deferral increases, decreases, and suspensions, catch-up computations, transfers, benefit counseling, investment allocation modeling, and prospectus requests.
- Meet individually with participants.
- Complete enrollment forms.
- Provide on-going counseling and educational workshops.
- Assist participants in preparing change forms and retirement election forms.
- Conduct group presentations to explain the Program rules, investment options and operation of the Program.

Participants can also initiate deferral amount changes, allocation changes, or investment exchanges by three non-paper methods; using the Program's website, using the Program's automated telephone system, or speaking directly with an internal Account Executive. Information regarding changes in employee deferral authorizations is sent to the appropriate employers each pay period by the Board staff.

Service Center

The Service Center has direct access to the Board's recordkeeping inquiry screens for participant account information including a participant online comment log. The Service Center staff received over 151,000 calls during 2012. In addition, the automated telephone system received over 160,000 calls during 2012. To date, over 131,000 personal identification numbers (PIN) have been established on the automated telephone system.

A staff of 21 internal Account Executives answers a toll-free number that includes 26 phone lines for customer inquiries and is available for walk-in assistance in a dedicated Service Center co-located with the Board office. The Service Center is open and staffed Monday through Friday from 8:00 a.m. to 5:30 p.m. Several of the more experienced telephone representatives make outbound service calls when not in peak volume times (i.e., following mailing of Quarterly Statements). Outbound calls provide services for new enrollments, inactive participants, and support the field Account Executives as needed. Four Retirement Planning Specialists provide one-on-one benefit planning and counseling with participants.

During 2012 the Service Center responded to phone calls for the following reasons:

	Total Phone Calls
Withdrawal questions	24%
Exchange/Allocation/Deferral	17%
Miscellaneous	12%
Account Review	11%
Password/PIN reset	10%
Unforeseeable Emergency	9%
Rollover transaction	8%
Address change	7%
Enrollment	2%

The main functions of internal Account Executives are:

- Interact with participants who call the Service Center for information on the Program in general and information regarding their accounts.
- Enter participant requests for deferral amount changes and balance exchanges into the Provider's database.
- Process all enrollment forms, increases and decreases, and other change forms. All forms are then sent to Board staff for entry into the recordkeeping system.

- Provide unforeseeable emergency withdrawal assistance to participants, including an initial review of unforeseeable emergency withdrawal applications for completeness. **The Board staff reviews the applications and grants or denies the application.**
- Discuss withdrawal options with participants, and send correspondence and forms to participants. All withdrawal requests must be initiated in writing, and cannot be completed on the phone or website. Data entry of all withdrawal requests is done by the Board staff.
- Maintain "pending" files for business which is effective more than 60 days in the future and withdrawal request tracking information. Participant files are maintained at the Board office.
- Record certain participant actions/requests in an online comment log.
- Produce monthly activity reports.

Enrollments

The following table reflects new enrollments for the past three years, as well as projections for the current year.

	New Enrollments
2010	10,640
2011	10,880
2012	12,210
2013 (est.)	12,000

New enrollments are produced on Board approved forms generated by laptop or desktop computers. It is forwarded to the Board office for data input by the Board staff. New enrollments can also be initiated on the Program's website.

Communication Services

The Provider develops, writes, designs, prints, and distributes promotional and educational materials. All materials are approved by the Board staff prior to distribution. The Provider is required to audit and update all communications media semi-annually. Participants receive quarterly and annual account statements, and a quarterly newsletter and investment performance summary that are prepared and distributed by Board staff; however, input is requested as articles relate to investment education and retirement planning issues.

The Provider is responsible for providing the participant automated telephone system and website (www.Ohio457.org). The unsecured portion of the website provides general information to eligible employees and employers. The secure portion of the website allows participants to view their current account information and make changes to their personal information, deferral amount, deferral allocation, and investment balance allocation. Participants also have the ability to view Quarterly and Annual Statements within the secure portion of the website. Account Executives enter new enrollments, investment exchanges, deferral and allocation changes, and demographic data updates through an Intranet connection to the website applications.

All transactions generated via the Internet or the automated telephone system are stored, during the business day, in a database maintained by the Provider. These transactions are transmitted using FTP over a private T1 data circuit to the Board's IBM ISeries Server (AS/400) at 4:15 p.m. each business day. At the end of the nightly batch processing by the Board's server, refreshed data reflecting all of the day's updates is created and transmitted back to the Provider. This data replaces the data in the database accessed by the web and Intranet applications.

ADMINISTRATION - Provided by Board

The Board is the exclusive agent of all participating employers with complete authority to administer the plans on behalf of the employers. The Program is self-administered by the Board staff. Staff's basic activities are:

- Maintenance of participant records/database
- Maintenance of Program-level financial records
- Billing and reconciliation of employer payroll deposits
- Process and distribute withdrawals, including tax reporting
- Maintenance of all participant level account activity and balances
- Issuance of Quarterly and Annual participant account statements
- Process investment exchanges between investment options
- Daily fund splits and transmission of investment instructions to investment providers
- Develops and oversees marketing/communications strategy; education collateral including newsletters and webinars; email campaigns; focus groups and surveys; participant, employer, and Board websites
- Monitoring, selection, and termination of investment managers

Board staff receives participant deferrals from employers every business day. Unallocated investment instructions are provided to the investment providers daily. Participants may request exchanges between investment options by a telephone call to the Service Center, self-service through the automated telephone system, or via the participant website. Participant statements, which reflect all investment activity, are prepared and distributed each quarter by the Board staff. Each participating employer has a separate plan within the Program and receives a quarterly plan level statement.

The Board's participant recordkeeping system for all investment options and activity is maintained on the Board's IBM ISeries Server (AS/400).

IV. GENERAL CONDITIONS

The Program makes no representations or warranties, expressed or implied, as to the accuracy or completeness of the information in the RFP and nothing contained herein is or shall be relied upon as a promise or representation, whether as to the past or the future. The RFP does not purport to contain all of the information that might be required to evaluate the RFP and any recipient hereof should conduct its own independent analysis of the Program and the data contained or referenced herein.

The Program reserves the right, at its sole discretion and without giving reasons or notice, at any time and in any respect, to alter these procedures, to change and alter any and all criteria, to terminate discussions, to accept or reject any response, in whole or in part, to negotiate modifications or revisions to a response and to negotiate with any one or more respondents to the RFP. This RFP may be withdrawn, modified, or re-circulated at any time at the sole discretion of the Program.

The Program is not and will not be under any obligation to accept, review, or consider any responses to the RFP and is not and will not be under any obligation to accept the lowest offer submitted or any offer at all. The Program is not and will not be under any obligation to any recipient of, or any respondent to, the RFP except as expressly stated in any binding agreement ultimately entered into with one or more parties, either as part of this RFP process, or otherwise.

This RFP is not an offer but a request to receive a response. The Program will consider a response as an offer to develop an agreement based on the contents of the response. Respondents agree that the contents of their responses are valid for one year from the date of submission.

Amendments to RFP—The Program reserves the right to provide any additional information or responses to questions received prior to the deadline for submission of proposals. In the event it becomes necessary to amend any part of this RFP, the Program will provide copies of the amendment to all Providers who submitted a Letter of Intent.

BID REQUIREMENTS

- All proposals become the property of the Program and will not be returned to the Provider. All proposals submitted are subject to Ohio Public Records law, and the documents submitted pursuant to this RFP may be subject to a public records request. The Provider must identify any material or documents that are confidential and clearly mark those items or documents at the time of submittal. If a request for records is made, the Program will make reasonable efforts to contact the Provider in sufficient time to allow the Provider to take appropriate legal steps to protect the confidential information from disclosure.
- Failure to adequately furnish information specifically required in this RFP could result in the disqualification of a proposal.

- Providers must agree to honor the cost proposals for a period of six months from the date of submission.
- The Program will notify all unsuccessful Providers regarding the Board's selection of a Provider.
- This RFP and Provider responses submitted in the selected proposal will become part of the resulting contract and binding through the contract term, except as amended by mutual agreement.

V. CONTRACT REQUIREMENTS

This section states the minimum requirements of a contract to provide the services described in this RFP.

It is estimated that the Board's contract with the company selected as part of this RFP will be an exclusive contract; however, should circumstances warrant, the Board may, at its discretion, issue a non-exclusive contract if it is deemed to be in the best interest of the Program.

ADMINISTRATIVE CAPACITY

The Provider shall serve as agent of the Board in servicing the Program.

In addition to performing the specific contractual duties outlined herein, the Provider shall coordinate and review Program activities and make recommendations to the Board for improvements based on its experience relating to Program activities and its knowledge of the administration of deferred compensation plans for other states and governmental entities.

The Board may request, and the Provider shall be obligated to provide, statistical information that is reasonably necessary in the exercise by the Board of its policy making and oversight responsibility; provided, however, that compliance with this obligation shall not require the Provider to incur any extraordinary expenses.

The Provider shall assist the Board in the development of rules and guidelines as might be required by the Board for the effective and efficient operation of the Program.

CONTRACT PROVISIONS

The following provisions shall be included in the contract between the parties:

- (1) It is expected that the contract shall have an initial term of five years with a beginning date of July 1, 2014 and an ending date of June 30, 2019. The Board shall have the option to extend the contract for up to two additional years.
- (2) The parties to any contract or contract amendment shall be the Program and the Provider. Any sub-contracted entity will not be party to this contract and will maintain their relationship directly with the Provider.
- (3) As a fiduciary, the Provider shall discharge each of its duties and responsibilities solely in the interest of and for the exclusive benefit of participating employees, continuing members, and their beneficiaries with the competence, care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person would undertake.

The Provider acknowledges that, to comply with the above-described fiduciary duties, it must maintain independence from all interest other than the interests of the Ohio DC participants and beneficiaries. The Contractor warrants that it will not delegate its fiduciary responsibilities pursuant to this Agreement.

- (4) The Provider will be compensated by the Board and shall receive no compensation or non-monetary rewards from any product provider or investment manager.
- (5) The Provider's personnel assigned to the Program will work solely to promote participation under the Program. In no instance shall any Provider representative receive any form of compensation, inducement, incentive, bonus, or reward that relates in any manner to the participation of an eligible employee under any plan other than that of a plan offered by the Board.
- (6) The Provider agrees to disclose to the Board, upon request, all compensation arrangements paid to personnel assigned specifically to the Program.
- (7) The Provider shall notify the Program and the Program may terminate the contract if any significant or substantial change occurs in the ownership or control of the Provider.
- (8) The Provider may not subcontract the furnishing of any significant work or services under the contract without the express written approval of the Program.
- (9) The Provider shall notify the Program in writing of its intent to replace any key personnel whose responsibilities include significant work or services under the contract. The Program reserves the right to reject any proposed personnel changes that the Program, in its sole discretion, finds unsatisfactory.
- (10) If during the contract term, the Provider, or any subsidiary, principle owner (10% or more), affiliate, or subcontractor is involved as plaintiff or defendant in any litigation which is related to your company's servicing of the Ohio Program, this fact shall be promptly disclosed to the Program.
- (11) The Provider shall be authorized to do business in the State of Ohio prior to the execution of the contract.
- (12) The Provider shall comply with all applicable laws, including licensing requirements of the State and Federal government and with applicable accreditation and other standards of quality generally accepted in the field of Provider's activities.
- (13) The officers, employees, and agents of the Provider will act in an independent capacity concerning the terms of the contract and will neither act nor be considered as employees of the Program or of any political subdivision thereof.
- (14) The Provider also agrees that it will abide by Program policies and practices regarding the security of participant data and will immediately notify the Program of any breach of such data.

- (15) The Provider shall agree that neither it nor any subcontractor will use any information concerning individual Program participants, information collected under the contract, or other Program data for any purpose other than to fulfill its duties under the contract. The Provider shall be prohibited from selling or revealing participant lists without Program approval. The selected Provider's personnel assigned to provide services to the Program will not be permitted to market, or offer any other products or services.
- (16) The Provider shall agree that the Program will retain ownership of the website URL, phone number, and Logo associated with the Program at the end of the contract period.
- (17) If at any time during the contract term, the Provider fails to observe or perform any term, condition, stipulation, agreement, provision, or obligation of the Provider hereunder or becomes insolvent or if an application or petition in bankruptcy is filed by or against the Provider, the Provider shall, ipso facto, be in default of the contract without any demand, notice, or putting in default, as time is of the essence to the Provider's satisfactory observance and performance thereof and any failure by the Provider with respect thereto shall constitute an active breach of contract.
- (18) The Provider shall agree to hold harmless and indemnify the State of Ohio, the Board, the Program, the participants, the Board members and its employees against all losses and liability and shall defend them against all claims and legal actions arising from the acts or omissions of the Provider or any of its officers and employees in servicing the Program, insofar as such acts or omissions were not directed by the Board.
- (19) The Provider will be required to provide transitional services prior to the effective date of July 1, 2014 to assist in the transfer of servicing responsibilities from the prior Provider. The Provider will not receive any fees under the contract until it has begun providing regular services as called for under the contract. The Provider shall provide any requested advice and counsel to the Program during the transition. The Provider is expected to be fully operational on July 1, 2014 and ready to provide all services requested in this RFP.
- (20) The Provider must subscribe to the Ohio Ethics laws regarding business conducted with a State Board.
- (21) The Program may terminate the agreement without cause by providing 90 days written notice to the provider.
- (22) Any provision of any contract arising hereunder is severable if that provision is in violation of the laws of the State of Ohio or the United States, or becomes inoperative due to changes in State or Federal Law, or applicable State or Federal regulations.

- (23) Neither the benefits nor the burden of the contract will be assigned or delegated by the Provider either in whole or in part or in any other manner without the written consent of the Program. Any assignment, pledge, subcontract, or hypothecation of right or responsibility to any person, firm, or corporation shall be fully explained and detailed in the proposal.
- (24) The contract shall be subject to and governed by the laws of the State of Ohio.
- (25) Without in any way limiting Provider's liability pursuant to the "Indemnification" section of this Agreement, Provider must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverage:
- a. Commercial General Liability Insurance with limits not less than \$5,000,000 each occurrence and aggregate per year to include bodily injury and property damage; and
 - b. Professional or Fiduciary Indemnity (Error and Omissions) Insurance in the aggregate minimum of \$10,000,000 per occurrence and in aggregate for the wrongful acts unintentionally committed in conjunction with the performance of services. Applicable restitution to the Board will be made for any related losses experienced and subsequent claims paid them to the extent of any direct financial losses experienced by the Board and covered under the policy.
 - c. Financial Institution Bond in the amount of \$5,000,000 against loss resulting directly from dishonest or fraudulent acts committed by an employee. Applicable restitution to the Board will be made for any related losses experienced and subsequent claims paid them to the extent of any direct financial losses experienced by the Board and covered under the policy.

Certificates of insurance evidencing all coverage above, in the form and with Insurers reasonably satisfactory to the Board, will be furnished to the Board before commencing any operations under this Agreement and prior to each anniversary thereafter. Upon request, complete copies of these policies will be promptly furnished to the Board.

- (26) The Provider shall maintain a dedicated Service Center to handle day-to-day customer service for participants and employers. Adequate physical space, furniture, locked storage (for Provider routers, servers, and call recording equipment), services (including but not limited to electricity, heating, cooling, plumbing, waste collection, recycling, cleaning services, signage, security), parking for participants visiting the Service Center, and parking for employees working in the Service Center **will be provided by the Board at no cost to the Provider.** The Board shall replace furnishings at the Service Center as needed due to normal wear and tear. The Provider shall replace any furnishings damaged as a result of negligence or abuse by its personnel. All such replacement furnishings shall become the property of the Board. The Provider and its employees agree to comply with the Rules and Regulations required of the tenant in the lease of the

office space. The Provider shall make available the office maintained by the Provider, and any location from which substantial service is provided available, for operational audit by Board staff or its designee.

Service capabilities provided by the Provider shall include a sufficient number of computer terminals, printers, data line and a router to provide online access to the Board's administrative system. The Provider shall provide for the delivery of business generated by Licensed Representatives and other communications as required, to and from the Board office each day. Delivery of business to the Board office must be daily at such times mutually agreed upon by Board staff and the Provider. The Provider shall be responsible for printing and postage costs of all participant requested materials. Any items mailed by Provider to participants shall be sent at least first class unless otherwise agreed to by the Board staff in advance.

- (27) The Provider shall develop, maintain and test a disaster recovery plan annually to insure uninterrupted services during the term of the contract to the satisfaction of the Board. The Provider shall provide a copy of the plan to the Board staff at the onset of the contract and a new copy whenever substantive changes are made. The Provider shall maintain processes for handling short-term disruption to Service Center phone lines or power lines.
- (28) The Provider agrees that Provider, any subcontractor, and any person acting on behalf of Provider or subcontractor, will not discriminate, by reason of race, color, religion, gender, sexual orientation, age, handicap, national origin, or ancestry against any citizen of this state in the employment of any person qualified and available to perform the work under this Agreement. The Provider further agrees that Provider or subcontractor shall not, in any manner, discriminate against, intimidate, or retaliate against any employee hired for the performance of work under this Agreement on account of race, creed, color, religion, gender, sexual orientation, age, handicap, national origin, or ancestry.
- (29) Upon termination of its contract with the Board, the Provider must fully cooperate with the Board in an orderly transfer of administrative responsibilities and records to the new provider. In the event that the Board elects not to renew its contract at the end of its term, or otherwise terminates the contract for cause or convenience, the Provider agrees to fully cooperate in the transition to the new provider.

The Provider must provide all necessary documents and computer files and generally assist and cooperate with the new provider and the Board in learning the content of such documents and files, learning processes and procedures, and assuring an orderly transference of responsibilities. Once the Provider has been notified of its termination, all general participant communications must be approved by the Board. No unauthorized communications with participants will be permitted.

- (30) Any exceptions, modifications, or additions to the Contract Requirements shall only be effective upon mutual written agreement signed by both parties.

V. SCOPE OF SERVICES

Service Center

The Provider shall occupy the office space provided by the Program in Columbus, Ohio, including cubicles, counters/desks, chairs and files. It is the intent of the Board that the office and the Provider's staff will be devoted exclusively to the Program and will be co-located with the Board office at 257 East Town Street. The Board will require that the Service Center be staffed to handle telephone call volume as well as walk-in service of approximately 150 participants weekly.

Customer Service

The Provider shall provide service and counseling to individual participants. This shall include the functions detailed in this RFP and responding to participant inquiries such as explanation of the features of the Program, the investment options, and any legal conditions, Federal or State, under which deferrals are made, including State and Federal tax considerations. All participant requests for information (written or verbal), or to schedule an appointment or meeting shall be responded to within two business days.

The Service Center duties shall include the counseling of those participants who are nearing retirement or currently retired concerning the payout options available under the Program and other retirement planning issues and subjects. Four Retirement Planning specialists will provide one-on-one benefit planning and counseling for participants. All Retirement Planning Specialists will hold either, a Chartered Financial Consultant (ChFC) or Certified Financial Planner (CFP) designation as well as a FINRA Series 6 or 7 license, and a minimum of five years of experience working in the retirement planning industry. The Program requires that all enrollment, education and customer service personnel have passed the NASD Series 6 exam, at a minimum.

The field Account Executives will have direct, individual contact with eligible employees must be equipped with a laptop computer with printing capabilities and wireless connectivity that, in addition to running the illustrative and projection software your company will make available, will enable the representative access to the Program's data base for uploading participant transactions, should the Program make such access available. The Provider must work with the Board to ensure adequate security regarding data access.

The Board will require Service Center staffing levels similar to those outlined in the table below.

Position	Number
Field Account Executives	15
Internal Account Executives	21
Retirement Planning Specialists	4
Administrative Support Staff	3
Management Employees	3

Toll-Free Telephone Service

The Provider shall offer a toll-free telephone number for participants and beneficiaries to use for customer service and the automated telephone system in obtaining forms, Program and account information, or setting up appointments. The Provider shall be required to have an adequate number of telephone lines so that no more than 1% of callers will receive a busy signal. At a minimum, the Provider's telephone system shall have the ability to record messages and to track call-waiting times, number of calls, call abandonment rate, and call duration. The automated telephone system will be available 24 hours per day, seven days per week. Telephone system usage summaries will be reported to the Board monthly.

Enrollment and Retention

The selected Provider will be responsible for enrollment and retention of qualified participants in the Program. Personnel or payroll staff of participating employers cannot be used to directly enroll Program participants.

The Provider shall be responsible for:

- (1) Creating, subject to the Board's approval, easily understood enrollment materials that can be used by public employees, which might include EZ enrollment or automatic enrollment materials and auto escalation materials. Enrollment materials must include promotional material, explanatory material, and enrollment forms subject to Board's approval.
- (2) Verifying participant enrollment eligibility and suitability to participate in the Program.
- (3) Ability to accommodate auto-enrollment and auto-escalation features.
- (4) Creating, subject to the Board's approval, easily understood materials that would encourage public employees to retain their accounts in the Program. Retention materials should include information on competitive fees, investment options, flexible withdrawal options, and additional benefits of remaining in the Program. The Provider will also be encouraged to develop other creative means to encourage retention.

Program Materials

- (1) The Provider shall be responsible to design, print, maintain inventory and distribute, plan documents, plan information, forms, literature, educational materials, brochures, posters, videos, slide presentations, and other material, subject to the Board's approval.

The Provider shall be responsible for customized marketing and educational materials including, but not limited to the following:

- a. Email broadcasting capabilities targeted to specific audiences
 - b. Mailing campaigns
 - c. Writing and development, including worksite presentations, retiree newsletters, and website content
 - d. Ability to develop and conduct effective webinars and seminars
 - e. Ability to maintain a record of all communication and education materials
- (2) All materials prepared for the Program will be the proprietary works of the Board and branded as such; however, the selected company will retain its property and rights with respect to materials not prepared particularly for use under the Program.

Note: The Provider is NOT responsible for printing and mailing quarterly statements and newsletters, and annual statements. These items and the related costs are borne by the Program.

- (3) The Board is interested in continually expanding the scope of printed educational materials provided to participants. Such materials could include investment education or financial/retirement planning guides, or other custom designed pieces.

All investment oriented materials should be marketing neutral with respect to the investment options offered by the Program.

Compliance Services

The Provider will review all Program communication and education materials to assure that they are in compliance with FINRA guidelines.

Focus Groups and Surveys

The Provider shall conduct two focus groups, averaging 10 eligible employees per group, in each of four cities, annually. The focus groups will be moderated by a qualified marketing professional approved by the Executive Director. Topics for discussion will be agreed upon by the Provider and Board staff. The Provider shall have a written report prepared for the Board staff summarizing the findings of each meeting.

Other mutually agreed upon methods of obtaining eligible employee input or studying eligible employee behavior can be conducted in lieu of one or more of the required

focus group sessions. It will be the responsibility of Provider to develop and present a written proposal to the Executive Director for approval prior to employing an alternative methodology or study. A description of the actual study and the outcomes and/or conclusions will be documented in a written report.

Participant Website

The Provider shall offer a participant website that contains both non-secure and secure sections that can be customized. The website must also provide tools to assist participants with asset allocation decisions and retirement planning. The current website can be accessed at www.Ohio457.org. Upon request, arrangements will be made so that Providers can view the functionality available within the secure section of the website. The website functionalities shall include:

- Asset allocation tool
- Interactive retirement planning tools to assist participants in determining their retirement needs and how to achieve them.
- On demand access to both electronic quarterly and annual statements for all participants. The ability to select either mailed paper quarterly statements or electronic statements. Storage of approximately 720,000 quarterly statement PDF documents (most recent four quarters of approximately 180,000 statements per quarter) requiring 64 GB of storage. Storage of approximately 155,000 annual statements requiring 32 GB of storage.
- Mobile enabled capabilities compatible with both iOS and Android operating systems
- Secure login that can accommodate SSN or alternative account numbering scheme

Hardware, Software, and Services

The Provider shall obtain at its cost all necessary telecommunications services equipment, software, and computer equipment to interface with the Board's system to provide the services requested in the RFP.

Annual Service Plan

Prepare an annual service plan for the Board's approval. The plan shall address each of the areas outlined in the Scope of Services. It shall set forth updated goals for the Provider and its specific actions to meet these goals.

Transition Services

The Provider will be responsible for providing transitional services prior to the effective date of July 1, 2014 to assist in the transfer of servicing responsibilities from the prior provider. The Provider will also be responsible for providing transitional services at the end of the contract to assist in the transfer of servicing responsibilities to the next provider.

Optional Services

The Provider will be capable of providing and administering the following optional services:

- Administration of the Unforeseeable Emergency Withdrawal program
- Development and Administration of a Loan program
- Administration of Qualified Domestic Relations Orders
- Roth 457
- Customized Asset Allocation Model
- Employer Website
- Social Media
- 24/7 Telephone Hotline
- Live Chat Option for the participant website
- Investment Advice

VII. TECHNICAL PROPOSAL

For purposes of responding to this RFP, the respondent should assume an exclusive contract will be awarded. Please note that an exclusive contract award does not prohibit the Board from offering similar services through the establishment of electronic services such as an automated telephone system or internet website. Also note that an exclusive contract award does not prohibit respondents from offering services on a sub-contracted basis, but such services must be fully disclosed in the Provider's RFP response.

All proposals must restate each item in the Technical Proposal and record your company's response directly below the item. Responses should be provided in order and reference the corresponding item number. Please contact Jim Heagen at (614) 466-7245 or at jheagen@ohiodc.org or visit our website at www.OhioDC.org to obtain an electronic version of this document to assist you in preparing your responses.

COMPANY INFORMATION

- (1) State the name and address of your company. Provide the name, title, address and telephone and fax numbers of the contact person from your company who should be contacted with questions regarding your response. Give a brief history of your company. Provide this information for sub-contractors as well.
- (2) Does your company accept all the terms as outlined in the General Conditions and Contract Requirements Sections?

If the answer is "NO," state any exceptions you have to the Contract Requirements and Contract Provisions. State the reason for the exception and the substitution offered.

- (3) Is your company a subsidiary or affiliate of another company? Give full disclosure of all direct or indirect ownership and type of relationship with affiliate companies, including the business nature of each. Disclose any relationship your company has with any current investment option providers or managers utilized by the Program. Provide this information for sub-contractors as well.
- (4) Are any of the services being quoted provided under a sub-contracted arrangement? If so, describe the arrangement, its terms and conditions, and whether your company and the other companies have been involved in similar arrangements in the past. How will you control the quality of the services provided by subcontractors?
- (5) Describe any pending agreements to merge or sell your company.
- (6) Has your organization recently undergone a change in senior management? Describe the change in detail.

- (7) Has your company ever filed a petition or has your company been petitioned into bankruptcy or insolvency or has your company ever made any assignment for the benefit of your creditors? If so, provide complete details.
- (8) Has your company been involved in litigation in the last five years or is there any pending litigation arising out of your performance or participation in a deferred compensation plan, a 401(k) plan, a 403(b) plan, or similar plans? Exclude routine interpleader actions, garnishments, and similar routine matters involving participants and beneficiaries that do not reflect on your performance of your contract. If so, describe.
- (9) Has your company been cited or threatened with citation within the last five years by Federal or any State regulators for violations of any State or Federal law and impending regulations? If your answer is yes, describe fully.
- (10) Is your company licensed to conduct business in Ohio? If not, attach an opinion of counsel giving his or her opinion as to whether he or she anticipates any difficulties in obtaining all necessary licenses prior to the effective date of the contract.
- (11) In the past five years, has your company been denied a license to do business, a license as an agent or broker, or any other security or insurance license? If so, state the date of the denial, the license denied, the state in which the license was denied, the reason given for denial of the license, whether your company has had a bona fide change of ownership or management since your company license was denied and whether your company has eliminated the cause for which the license was denied.
- (12) In the past five years, has your company had a license to do business, an agent/broker license or any other security or insurance license revoked or suspended? Has your company been reprimanded by a licensing agency within the past five years? If so, describe fully.
- (13) How many years has your company been providing enrollment, education, and customer services to large public sector multi-employer section 457 plans that are substantially similar to those requested in this RFP? Complete the following table regarding these plans. Plans to which you provide services in addition to enrollment, education, and customer service may be included.

Plan Size	Number of Plans	Average Annual Participant Deferral
1 to 999 participants		
1,000 to 9,999 participants		
10,000 to 49,999 participants		
50,000 or more participants		

- (14) Identify the five (5) largest multi-employer plans for which your company is providing similar enrollment, education, and customer service. For each plan identified, list the type of services provided, the number of employers, number of eligible employees, number of participating employees, average annual deferral, average account balance, the dates of the contracts including how long you have been the service provider for the plans, and for reference purposes the name, title, address, and telephone number of the chief administrative officer for each plan.
- (15) In the last five years, has your company had a contract terminated by a client for cause? If so, by whom and under what circumstances? Provide the name and telephone number of each client that has terminated your company's services. Explain the circumstances for termination.
- (16) In the last five years, has your company had a contract non-renewed by a client with more than 10,000 participants? If so, by whom? Provide the name and telephone number of each client that has not renewed your company's services? Explain the circumstances for non-renewal.

SERVICE PROPOSAL

Fully describe how your company intends to provide enrollment, education, and customer services as described in the Scope of Services.

All the following items must be addressed in your response.

Administrative Capacity

- (17) Describe your company's overall philosophy regarding enrollment, education, and customer service of a large eligible population of employees. Explain why your strategy is successful with multi-employer plans. Cite specific examples of your success and describe what differentiates you from your competitors.
- (18) Describe your company's staffing plan for the servicing of the Program. What is your proposal for the number of licensed and trained full-time enrollment, education, customer service representatives, and retirement planning specialists? Minimum licensing must include NASD Series 6. Provide your proposed organizational structure and provide biographical information on the managers to be assigned to this contract.
- (19) Describe the proposed structure for compensating field and Service Center representatives. Incentive based arrangements must be limited to 20% of total compensation. Include how performance will be measured as it relates to the annual field/Service Center servicing plans. Describe the method or formula under which each form of compensation will be calculated. This information should be provided by category of personnel. Ranges may be given if appropriate. Describe in detail on what basis incentive compensation will be awarded.

- (20) The Board requires forms to be printed in formats developed by the Board. If you do not currently have these abilities, how long will it take to obtain the necessary hardware and develop these customized services to meet Program specifications?
- (21) What support services, systems development, and reporting would the local office rely on from the Provider's "Parent" or "Headquarter" office?
- (22) Please discuss your organization's ability to supply compliance review and brokerage services for a participant website developed internally by Ohio DC.

Customer Service

- (23) Describe the customer service processes, procedures, and materials being proposed.
- (24) As indicated in the Scope of Services Section, the Provider maintains all internal Account Executives at its Columbus, Ohio location. Confirm your commitment to have Service Center personnel as listed in the Scope of Services section, located at the Board's Columbus, Ohio location.
- (25) Identify the number and type of positions to be provided to fulfill your responsibilities under this proposal.
- (26) Confirm your agreement to have the above personnel dedicated solely to servicing only Ohio Deferred Compensation participants.
- (27) Describe your Service Center staffing plans to deal with peak volume, e.g., after the issuance of participant statements or a significant change to the Program.
- (28) Describe what your company will do to ensure high quality, error-free processing of forms and applications. What problem logging, aging, and resolution reporting will be provided to the Program and what is the reporting frequency? An error committed by the administrator must be corrected and processed as of the effective date of the original transaction. Any errors made by the administrator must be corrected at its expense so that the value of the participant's account is not less than it would have been had the error not occurred.
- (29) Describe the training your Service Center representatives will receive prior to handling participant calls. Describe on-going training and training to implement new Plan provisions or changes. Describe any procedures or systems to track and report participant inquiries. Describe how Service Center representatives are monitored for accurate, consistent information.
- (30) Describe the toll-free telephone system you will implement. What will be the availability of Service Center representatives? Please list time of availability. Describe any expanded (after 5:00 p.m. and weekends) phone coverage your company is able to provide.

- (31) What does your company consider an acceptable level for:
- a. Average Speed of Answer -- how long it takes before an operator answers the phone.
 - b. Busy rate -- percent of calls that receive a busy signal.
 - c. Abandoned Call Rate -- percent of calls that never get answered.

Please provide sample statistical reports showing how you monitor these statistics.

- (32) Describe how your representatives would assist participants in completing Program forms. Describe your internal process for ensuring forms are complete before being sent to Board staff.
- (33) On average, how long does it take your company to respond to participant requests (hour, days, etc.)? What management procedures do you have in place to monitor response time and quality of the response? What commitment will you make to the Board concerning response time, especially during periods of extremely high call volumes?
- (34) Do you currently provide counseling concerning withdrawal options available to participants? Describe the counseling program you plan to provide to the Program.
- (35) Please provide electronic or hard copy samples of the following materials:
- a. Basic communication/education materials that would be provided to the Program.
 - b. Forms that would be provided to the Program.
 - c. Enrollment or plan literature and other communication materials that your firm has developed for use in deferred compensation plans.

Enrollment and Retention

- (36) Describe the enrollment service processes, procedures, and materials being proposed including the process and procedures for transmitting information and forms to the Board.
- (37) The Program has over 600,000 eligible employees stationed in thousands of work locations located throughout the State. Many of the locations are in rural areas and some employees work at night. What is your experience in handling plans with similar circumstances? Describe your enrollment and education service proposal for servicing these areas.
- (38) Discuss what your organization would do to retain participants in our Program.
- (39) Explain how you would effectively engage employers as our partners.
- (40) Describe the results you expect to achieve from your enrollment activities. In other words, what goals do you propose to set?

- (41) Many Ohio Program employers offer competing deferred compensation plans. Explain how your organization would increase participation in our Program in a competitive environment. Describe your enrollment servicing proposal for penetrating these markets. Describe your firm's success in penetration in other plans with similar competition.

Education

- (42) Explain your overall strategy for communication and education, and the underlying rationale. Be sure to explain specific strategies to engage women and minorities.
- (43) Explain how your education strategy has evolved over the past five years.
- (44) Do you have the staff and the ability, or would you contract with a third party, to design a customized communication program specifically for the Program which would include communication materials (written disclosure, brochures, audio/visual, etc.)? Describe your company's capabilities and the experience and qualifications of communication staff. Describe how the communications material will be managed and improved over the contract term.
- (45) Describe your current use of Behavioral Economics/Finance in participant and non-participant communications.
- (46) Do you currently offer retirement seminars and/or retirement scenario modeling for participants? Describe in detail retirement counseling services that your company would make available to Program participants.
- (47) Discuss what retiree draw-down strategies you would recommend for our participants.
- (48) Research indicates that current retirement savings are inadequate. What strategies would you implement to improve retirement savings?
- (49) Discuss what you would do to improve our participants' financial literacy.
- (50) Please provide a listing of available workshops and their content. Please describe how flexible you can be with the content of these workshops.
- (51) How do you measure the success of your education campaign? Please describe the objectives, actions, and results of a successful education campaign implemented for a client. Describe in detail the metrics you use and recommend for the Program in evaluating participant education campaigns.

Technology

- (52) Do you have a transactional based automated telephone system and Internet site that could be used by the Program participants using custom data files transferred from the Board's recordkeeping system?
- (53) Describe how participants transfer from an automated telephone system to a Service Center representative. When are they notified that they can transfer to a representative?
- (54) What is the capacity utilization rate for your automated telephone system? How do you insure adequate capacity as the demands grow? Describe what type of phone capabilities would be provided.
- (55) What is the capacity utilization rate of your website? How do you ensure adequate capacity as demands grow? Describe what type of website capabilities would be provided. Describe the flexibility of the website and the ability to be customized to meet the needs of the Program. Describe the security features of the website and your backup procedures. Describe your ability and plans for interfacing with the Board's recordkeeping system. Describe how the website will be managed and improved over the contract term. If any additional cost would be associated with customization of the website, describe the process for customization, the typical approval process, and timing. If customization will result in additional costs to the Program, describe how the costs will be determined and assessed to the Program.

The Program's participant website can be viewed at www.Ohio457.org. Please describe your website capabilities/functions including but not limited to the following:

- a. On-demand information on individual, personal rates-of-return for any time period
 - b. Graphical capabilities
 - c. Real-time financial projections
 - d. Login security
 - e. Transactional capabilities
 - f. Flexible screen formats capable of constant, timely updating
 - g. Electronic forms submission (i.e., enrollment, beneficiaries, etc.)
 - h. Website analytics and tracking
 - i. Software tools or calculators that will be made available to our participants
- (56) Provide the URL for a similar website to the one that you are proposing and a test account for the Board staff to view all participant functions. The test account should be made available through the date on which our final decision is scheduled.
 - (57) Your company must provide all necessary telecommunications equipment and computer equipment to interface with the Board's system to provide the services requested in the RFP. Do you agree to this requirement? Describe the system components and capabilities you are proposing.

- (58) Describe how you would promote the Program's electronic statement delivery (eDelivery) program to encourage participants to opt-out of receiving paper statements.
- (59) Protecting participant data is a high priority for the Program. Provide a SOC 2 Type 2 report if available. If not, currently available, please provide other documentation regarding the safeguarding of data and indicate your willingness to provide this SOC 2 Type 2 or a similar reports in the future.

Optional Services

- (60) In addition to services requested in the RFP, the Board may decide to have the Provider administer new plan features or features currently provided by the Board's staff. Please describe how you would propose to administer the following features:
- a. Administration of the Unforeseeable Emergency Withdrawal program – the Program currently administers a UE withdrawal program internally that processes approximately 4,300 UE requests annually. Describe how you would setup and administer our UE program.
 - b. Development and Administration of a Loan program – the Program doesn't currently offer a loan program. Describe the costs and benefits of offering a loan program, how you would setup and administer a loan program, and any proposed participant fees.
 - c. Administration of Qualified Domestic Relations Orders – the Program currently processes all QDRO's internally. Approximately 285 QDRO's are processed annually. Describe how you would administer QDRO's processing for the Program.
 - d. Roth 457 – the Program doesn't currently offer a Roth 457 investment option. Describe how you would setup and administer a Roth option for our Program. Please discuss the impact a Roth 457 option would have on our current internal recordkeeping system
 - e. Customized Asset Allocation Model – the Program's current asset allocation model doesn't lend itself to customization. Describe your ability to provide a customized asset allocation model for the Program that can be modified to accommodate new categories, such as Real Assets or Global Equities.
 - f. Employer Website – the Program has developed and currently hosts an Employer website internally. Describe your ability to develop and/or host an Employer website. The Program has approximately 1,800 employers.
 - g. Social Media – the Program doesn't have a Social Media program. Describe your ability to implement an effective Social Media program that may include Facebook, Twitter, LinkedIn, and mobile applications for our website.
 - h. 24/7 Telephone Hotline – the Program currently offers an automated telephone system to allow participants access to account information. Describe your ability to offer a telephone hotline for our participants to speak to a customer service representative 24 hours and day, seven days a week.
 - i. Live Chat Option for the participant website – the Program doesn't currently offer a Live Chat option on our participant website. Describe your ability to offer a Live Chat option that would allow our participant's to chat with a customer service representative while on the participant website.

- j. Investment Advice – the Program doesn't currently offer Investment Advice. Describe how you would structure an Investment Advice program for our participants.

Public Sector 457(b) Experience

- (61) Provide a statement of your company's strategic commitment to the 457 deferred compensation line of business and any documentation or evidence to support this commitment.
- (62) What is your company's policy for licensing personnel? Include a description of your required licensing program. Do you have a continuing education program in place for your representatives to stay current on Program changes, changes in the law, and investments? If so, please describe.
- (63) How will you ensure the plan remains in compliance with regulatory and legislative changes? Will you provide general written updates to the Program regarding legislative changes? Please provide a recent example.
- (64) Detail the procedures you will use to protect the privacy of individual participants in the Program. Has your firm ever experienced a compromise of participant data through hacking or some other factor? Describe each incident including dates and numbers of affected participants. Also describe remediation actions by your firm for participants with compromised data, and steps taken to ensure future compromises do not occur. Please indicate whether your company maintains cyber insurance coverage. If it does, please indicate the general terms and amount of coverage provided. Whether or not you maintain cyber insurance, please confirm under what circumstances you will cover the cost of remedial actions and describe the minimal level of remedial actions you will take at your expense.
- (65) The Program's Disaster Recovery (DR) objective is to be operational within a 24 hour period after a disaster that interrupts our ability to provide service to our participants. Describe your company's Disaster Recovery plan. Indicate whether you have an alternative site to set up customer service operations. Describe in detail your procedures for relocating customer service operations and your ability to meet the Program's 24 hour DR objective. If an alternative site is available, would space be offered to the Program to set up the Board office on a temporary basis?
- (66) As indicated in the Contract Requirements section, the Provider will be a fiduciary to the Program and must act solely in the interest of and for the exclusive benefit of participating employees, continuing members, and beneficiaries. Please disclose all other 457(b), 403(b), public sector 401(k) plans or other type of investment or retirement savings plans offered to public sector employees in Ohio, including a list of each public sector employer and type of plan. Regarding any such other investment or retirement savings plans, please indicate how you will avoid or mitigate potential conflicts of interest and fulfill your fiduciary responsibilities to the Program.

- (67) Is there any other aspect of your firm's business or the business of an affiliate, other than enrollment services, that is or could potentially represent a conflict of interest in the event that you are awarded a contract to perform the requested services? If so, please describe the circumstances and explain how you propose to resolve the conflict of interest.

Transition Plans

- (68) Describe in detail your transition plan for this account. Confirm your ability to meet the implementation dates listed in the RFP. Are you prepared to provide a detailed work plan and flow chart of activities, responsibilities and time frames for conversion of the plans?
- (69) In your experience, what are the typical causes of delays during the conversion process?
- (70) How does your company manage the process to minimize these delays? Indicate the steps that you would take to minimize the inconvenience and confusion to Program participants.
- (71) What is the minimum amount of time that your company would require to conduct this conversion? How much notice will your company require to begin this conversion? Provide an estimate of the type and amount of resources that the Board would need to provide for you for this transition.
- (72) How will your company guarantee its stated implementation time frame? Indicate your flexibility to work with the Board in determining an acceptable file format for the transition of plan records. Provide a description of the proposed software and connectivity to be used to access the Program's network. Include proposed technology for secure data transfer and interactive accessibility with the Program's recordkeeping system.

Conversion Team and Experience

- (73) Regarding your company's general conversion team staffing, how many employees do you have who work exclusively on conversions? Describe how your conversion team(s) coordinates with the regular client service team and the typical number of conversions a team works on simultaneously.
- (74) Please provide a list or description of the information that you will need from the Board for an effective conversion.
- (75) List the expected members of the conversion team(s) you will assign to the plans and provide an outline of their roles and responsibilities, their qualifications, experience, number of years with your company, and primary work location.
- (76) At the end of the conversion, describe how the conversion team will transition to the ongoing service team.

- (77) Provide the names of the three most recent 457 plans that have at least 10,000 participants with whom your company has recently been involved in a plan transition. Provide the name and telephone number of a contact person.

Innovation and Industry Leadership

- (78) Discuss any innovation you have implemented during the past five years and the results of those innovations.
- (79) Discuss any innovations that you are currently working on that will be ready to implement in the near future (1-3 years), and the potential impact on the Program.
- (80) Provide examples that show your organization's leadership within your industry.
- (81) Please explain where your organization feels that the Public Sector Industry is headed over the next five years and how you are preparing for it.
- (82) Discuss your organization's ability to customize the services that you provide. Describe how your services will be managed and improved over the contract term.
- (83) Explain any additional resources that your organization would provide that are not part of this RFP's requirements or optional services that would provide added value to the Program.

ALTERNATIVE PROPOSAL

The Provider can submit one additional proposal for services that are provided on an alternative basis than the current level of services. If an alternative proposal is made, the Provider must clearly differentiate the level of services to be provided from the level described in the Scope of Services. If the alternative proposal is different than the current number of representatives, describe how you believe this number of representatives will be able to best service the Program.

VIII. COST PROPOSAL

A cost proposal must be prepared and submitted with your company's service proposal under separate sealed cover.

Your cost proposal must include total projected fees charged to the Program in each of the five years of the anticipated contract, based on the current service level as defined in the Scope of Services section. The cost proposal should be detailed and complete in all respects and provide all the information the Board would need to calculate the fees that would be paid to your company based on the variables contained within the proposed fee structure.

Compensation to the Provider will be paid monthly in arrears.

- (1) Describe in detail your proposed base cost proposal for the current service level, including a definition of all elements that make up your proposed compensation arrangement. **Proposed compensation based on the Program's asset value will not be considered, although per participant, flat fees, or actual costs plus profit margin will be considered.** Provide the key assumptions you have used in developing your cost proposal such as assumptions regarding anticipated enrollments, annual deferrals, number of service requests, etc.

If the Provider is proposing an alternative service model in addition to the current service model, costs for the two models should be clearly and separately documented.

- (2) As a part of your base cost proposal please provide separate cost centers for the following items:
 - a. Focus groups and surveys – the Provider shall conduct two focus groups, averaging 10 eligible employees per group, in each of four cities, annually. The focus groups will be moderated by a qualified marketing professional approved by the Executive Director. Topics for discussion will be agreed upon by the Provider and Board staff. The Provider shall prepare a written report to the Board staff summarizing the findings of each meeting. Other mutually agreed upon methods of obtaining eligible employee input or studying eligible employee behavior can be conducted in lieu of one or more of the required focus group sessions.
 - b. Mobile enabled participant website and automated telephone system – during the term of the contract the Program might decide to internally develop a participant website integrated with an internally hosted automated telephone system. Please describe any issues that this would cause during the term of the contract.

- (3) Include in your cost proposal the type and amount of extraordinary one-time start-up costs your company will incur to transition service responsibility from the current Provider and to commence your servicing of the Program. Be sure to address any costs to provide the interface between the Board's recordkeeping system and the automated telephone system and website. What, if any, of these costs would require compensation in the event of contract termination by the Board (other than for cause) prior to the expiration of the five-year contract period? Your cost proposal must assume that complete amortization of the expenses will be made within the anticipated five-year contract term. There can be no termination charge at the end of the five-year period.
- (4) The Program continually makes improvements in systems capabilities and information and likewise seeks ongoing improvements in servicing the Program by the Provider. How would such improvements or efficiencies be recognized and provided for over the term of the contract? For example, are there future efficiencies that could reduce your cost of services?
- (5) Provide a separate cost center for Provider incentive compensation based on the following factors:
- a. Results of ongoing independent surveys of participant satisfaction, including the following elements
 - Service Center
 - Group/one-on-one meetings
 - Website
 - Materials
 - b. Participant enrollment/retention
 - c. Average annual participant deferrals

For each incentive listed above, please propose your desired methodology for calculating the incentive compensation and the maximum amount of compensation to be achieved in relation to the base compensation proposal.

Providers may also propose alternative factors for incentive compensation. Please list any alternative factors and propose your desired methodology for calculating the incentive compensation and the maximum amount of compensation to be achieved in relation to the base compensation proposal.

- (6) Provide separate cost centers for the optional services listed in the Scope of Services Section. The cost centers should include an **annual cost** for providing the service and a **total cost** over the term of the contract.
- a. Administration of the Unforeseeable Emergency Withdrawal program
 - b. Development and Administration of a Loan program
 - c. Administration of Qualified Domestic Relations Orders
 - d. Roth 457
 - e. Customized Asset Allocation Model
 - f. Employer Website
 - g. Social Media
 - h. 24/7 Telephone Hotline
 - i. Live Chat Option for the participant website
 - j. Investment Advice
- (7) All Providers are required to fully address all items in the cost proposal. Failure to fully complete the cost proposal might result in the cost proposal not being accepted.

V. EVALUATION CRITERIA AND SELECTION PROCESS

Any proposal that does not adhere to the RFP format as specified may be considered nonresponsive and not subject to further evaluation.

This section of the RFP briefly outlines the key criteria for the evaluation of proposals and determination of which Providers to be given further consideration. Other factors may be considered that are believed to be material for the final selection.

A. Company Information and Administrative Capacity:

The organizational structure, experience, professionalism, leadership, and knowledge that proposers can apply to assist the Board in meeting the goals and objectives set for the Program. This includes technical support services and resources from the Provider to assist the local office. The overall acceptance of the proposed Scope of Services and acceptance of the General Conditions and Contract Requirements will also be considered.

B. Customer Service:

The ability of the Provider to provide counseling and other services to participants, including but not limited to its ability to handle and process participant elections, exchanges, withdrawal elections, and hardship inquiries. Overall approach and demonstrated ability to provide a high level of quality customer service will be considered.

C. Enrollment and Retention:

The demonstrated ability of the Provider to effectively engage employers as partners, explain the Program, enroll suitable participants on a statewide basis, and encourage retention of assets in the Program.

D. Education:

The demonstrated ability of the Provider to effectively deliver general Program, investment and retirement planning education, and develop customized communication materials to support these efforts through a variety of media. Demonstrated leadership in the area of financial education and planning, and effectiveness in improving participants' knowledge will be considered.

E. Technology:

The ability of the Provider to utilize the latest technological advances, such as an automated telephone system, websites, data security, laptop computers, mobile capabilities, planning and investment tools, and computer programs to facilitate the fulfillment of the desired services.

F. Public Sector 457(b) Plan Experience:

The ability of the Provider to fulfill the terms of the contract until expiration and provide a long-term commitment to the success of the Program based on its demonstrated successful experience as a provider for large multi-employer 457(b) plans. The absence or mitigation of any material conflicts of interest will be considered.

G. Transition Plans:

The ability to provide all necessary transition services to assist in the transfer of servicing responsibilities from the prior provider by the effective date of July 1, 2014.

H. Innovation and Industry Leadership:

The Provider's overall demonstrated ability to offer innovative solutions and industry leadership in addressing key issues facing Public Sector Defined Contribution Plans.

I. Other:

Consideration may be given to other factors based on the content of the proposals that may have a material impact on the quality and effectiveness of the services to be provided.

J. Cost:

The Provider's ability to provide the services contemplated by this RFP at the most reasonable cost possible. The cost proposal structure must be flexible to allow the Board to adjust the level of services during the term of the contract.

IX. INSTRUCTIONS FOR SUBMITTING PROPOSALS

A. Letter of Intent:

Each interested proposer should submit a Letter of Intent to propose. This letter must be received by the Board at the address set forth in Section G below, no later than June 14, 2013 in writing or by fax. Failure to submit the Letter of Intent may result in the proposer not receiving responses to questions or amendments to the RFP. The letter shall indicate the proposer's intent to propose, and a contact person's name, address, and telephone number. The Letter of Intent should also include a statement that the letter is being submitted by a person authorized to bind the proposer.

B. Proposers' Conference:

A proposers' conference will be held at the Board office on June 19, 2013 at 1:00 p.m. Attendance at the conference is not mandatory.

C. Questions Concerning the RFP:

Questions regarding this RFP must be submitted in writing by mail, email, or fax not later than June 28, 2013 and addressed to:

Jim Heagen
Assistant Director-Administration
Ohio Public Employees Deferred Compensation Program
257 East Town Street, Suite 400
Columbus, OH 43215-4623

EMAIL: jheagen@OhioDC.org

FAX: 614-728-2601

Questions and answers from the proposers' conference will be recorded, put in writing, and distributed to all companies who have returned a Letter of Intent, with all other written questions and answers by July 12, 2013. No verbal responses are to be relied upon.

D. Questions by the Board:

The Board may present a proposer with written questions about its proposal. The response to the Board's question(s) shall also be submitted in writing and shall be incorporated as part of the proposal.

E. Transmittal Letter

The responding company's proposal must be accompanied by a transmittal letter, signed by an individual authorized to bind the company and including the following statement: "The information presented in this proposal by **(Company Representative)** is correct to the best of our knowledge and belief as of the date submitted. The individual executing this document on behalf of **(Company Name)** is authorized to execute documents of this nature under the scope of his/her employment responsibilities."

F. Submission Format

A responding company's proposal must be recorded on Standard 8.5" X 11" size white paper. The proposal must be accompanied by a transmittal letter on the company's official letterhead, and be signed by an authorized officer of the company.

Provide a one-page executive summary that highlights your deferred compensation philosophy, your customer service approach, and why your organization can best provide these services.

Restate each statement or question in the Technical Proposal and record your company's response directly below the statement or question. An Alternative Proposal can be submitted with the Technical Proposal but should be clearly marked as such. The Cost Proposal must be prepared and submitted under separate sealed cover.

All costs of developing the proposals will be borne by the proposers. The proposals and all related materials will become the property of the Program and will be subject to the Ohio Public Records Law.

The Program reserves the right to reject any proposal prior to or subsequent to its review of the separate sealed cost proposal. In the event that the Program rejects a proposal prior to review of the cost proposal, the sealed cost proposal will be returned to the proposer.

G. Deadline for Submission of Proposal:

The original, electronic copy and 10 copies of the complete proposal package must be received in the Board's office August 16, 2013 by 4:00 p.m. to be considered. Proposals received after this date and time will be returned unopened.

Please send the original and 10 copies to:
RFP Coordinator
Ohio Public Employees Deferred Compensation Program
257 East Town Street, Suite 400
Columbus, OH 43215-4623

Please send the electronic copy to jheagen@OhioDC.org.

NOTE: Packages (envelopes) must be clearly marked "TECHNICAL PROPOSAL." Cost proposals must be separately sealed and clearly marked COST PROPOSAL. It is the responsibility of the proposer to insure that proposals arrive on or before the prescribed time. No email or fax responses will be accepted. **NO LATE PROPOSALS WILL BE ACCEPTED.**

The Board reserves the right to accept or reject any or all proposals if it deems that doing so is in the best interest of the Program.

Modifications to the proposal may be submitted prior to the date and time specified for receipt of responses. Copies of the modifications must be submitted as specified for the actual proposal above. Modifications must have "Modification - Company Name" marked in the lower left-hand corner of the envelope. No email or fax modifications will be accepted.