

**BEND-LA PINE SCHOOLS
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BEND, OR 97703
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**REQUEST FOR PROPOSAL
403(b) SERVICES**

RFP 16-0609-01

ADDENDUM #1

The purpose of this addendum is to answer questions that were raised during the protest and clarification process. Listed below are the questions that were asked along with the District's responses.

Q1. What are the current plan assets under management?

A1. There are no plan assets under current management (our 3rd party plan administrator) or the District. Monthly employee voluntary deduction is about \$100,000. The District withholds the amounts and passes on to employees' 403(b) accounts.

Q2. What is the number of participating employees as well as the number of non-participants?

A2. We currently have 320 participating employees and 1,960 non-participating.

Q3. Are assets employer or employee directed?

A3. All employee voluntary deductions are employee directed.

Q4. Who is the current provider?

A4. Carruth Compliance Consulting, Inc.

Q5. Are there any restriction on assets?

A5. Employees elect 403(b) providers.

Q6. Where is Exhibit A – Statement of Work, for Attachment A?

A6. Attachment A is a sample contract and Exhibit A Statement of Work will be developed from the Scope of Services in the RFP and the awarded vendors proposal.

Q7. What are the relationship and responsibilities you refer to concerning items C1 & C2 in the Scope of Services section?

A7. We are requiring that the Provider review and monitor any changes in 403(b) regulations that affect the relationship between pre-tax health premiums paid by the District and the calculation of the maximum Plan contributions allowed. The Provider would monitor the District practices to ensure that the District is in compliance with the 403(b) regulations. The same review and monitoring would

apply to any Section 125 pre-tax cafeteria plan deductions. We are aware that Section 125 contributions are not used in the compliance calculations at this time but were in the past.

Q8. Is the second D in Scope of Services meant to be I?.....

A8. Please see below the revised numbering of Section III, Item 3. Scope of Services:

3. SCOPE SERVICES

Consultant shall provide the following services:

- A. Provide and maintain a Board adopted 403(b) Plan Document. Plan Documents should be reviewed and approved by District's legal counsel.
- B. Provide draft "Salary Reduction Agreements," "Hold Harmless Agreements," and "Information Sharing Agreements" that indicate District's responsibility for compliance of its Plan. All such documents should be reviewed and approved by District's legal counsel.
- C. Review and monitor all District practices associated with District plans, with special attention to the following:
 - 1. Any relationships between health insurance premiums and Plan contributions.
 - 2. Any relationships between cafeteria plans and Plan contributions.
 - 3. District discretionary or matching Plan contributions on behalf of any employees.
 - 4. Policies regarding eligibility for participation in District Plans.
- D. Maintain a dedicated District section of Consultant website, which provides information about District's Plans to District employees and to vendors associated with District's Plans.
- E. Use a method approved by the District for obtaining sensitive payroll, human resources, remittance and other data required for successful performance of Consultant duties.
- F. Assist District personnel in establishing secure methods for the exchange of payroll, human resources, and remittance data necessary for monitoring compliance of contributions.
- G. Maintain privacy of sensitive data once it is received by Consultant. Consultant will undertake commercially reasonable steps to protect the privacy of sensitive data.
- H. Use District provided monthly payroll and human resources data to monitor contributions for compliance during all years for which a contract for plan administration services between District and Consultant remains in effect.
 - 1. Isolate those contributors for whom compliance of projected contributions are in doubt based on available data and assist District staff in collecting additional historical data using effective methodology.
 - 2. After sufficient historical data have been obtained, advise District staff with respect to reducing and/or suspending contributions for those contributors projected to exceed applicable limits.
 - 3. Isolate any contributors for whom contributions have already exceeded applicable limits and work with the District to correct those excess contributions in a timely fashion
- I. Provide draft eligibility and allowable contribution announcements for distribution to employees at least annually.
- J. Provide calculations of Maximum Allowable Contributions (MAC) for employees who request them.
- K. Assume responsibility for administering exchanges within, transfers into, and rollover contributions into the Plan retroactively to January 1, 2017.
- L. Assume responsibility for administering other Plan transactions beginning January 1, 2017 (loans, hardship distributions, QDROs, minimum required distributions, etc.),

Q9. You indicate that the contract is expected to be signed by 7/8/16. What is your expected go live date?

A9. A transitional timeline will be negotiated with the selected vendor prior to contract signing.

Q10. Can you provide current number of actively contributing participants for each investment provider and any other demographic data?

A10. We currently have 320 employees participating in the 403(b) program with voluntary monthly deductions totaling approximately \$100,000. These funds are passed on to 13 vendors. Specific employee and contribution data will be provided to the selected Provider.