

REQUEST FOR PROPOSAL DOCUMENT



The Interlocal Purchasing System (TIPS)

A Cooperative Purchasing Program available for membership by Government Entities and Educational Entities in Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Louisiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, (Mississippi – can only use contracts approved by state purchasing department) Missouri, Montana, Nebraska, New Hampshire, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

Lead Agency



Region VIII Education Service Center

**Address: 4845 US Hwy. 271 North
Pittsburg, Texas 75686**

**Toll-free (866) 839-8477 Fax (866) 839-8472
website: www.tips-usa.com E-mail: tips@tips-usa.com**

NOTICE TO BIDDERS

Sealed proposals must be addressed to The Interlocal Purchasing System (TIPS) and will be received in the TIPS Office located at **4845 North US Hwy 271, Pittsburg, TX 75686** (Note: For All Ground Deliveries bidder must send proposal 3 days prior to the deadline to guarantee delivery by 3:00 p.m. on the designated date.)

**DEADLINE DATE FOR ALL PROPOSALS TO BE RECEIVED:
Thursday, December 11, 2014 at 3:00 p.m.
FOR THE CATEGORY –**

457 Defined Contribution Plans

RFP- 457 Defined Contribution Plans – Due December 11, 2014 at 3:00 p.m.

About TIPS

TIPS is available for use by all public and private schools, colleges, universities, cities, counties and other government entities in the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Louisiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi (may only use contracts individually approved by state purchasing department), Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

It is the intention of TIPS to establish vendor awarded contracts to satisfy the procurement needs of participating member entities in this particular category. These awarded contracts will enable member entities to purchase on an “as needed” basis from competitively awarded contracts with high performance vendors. Bidders are requested to submit a proposal for offering their line of available products that are commonly purchased by government agencies, cities, counties and educational entities.

- Awards will be made to the successful bidder(s) for the products submitted. (Unless bidder has submitted inappropriate items for the category. Those items will not be awarded.)
- Awarded contracts will be automatically renewed on the annual contract award date for two consecutive year terms (as listed in the original awarded contract), if sales have been successfully reported to TIPS and if both parties agree. (Exception: There are two categories: General Services; and Trades, Labor and Materials that will not have an automatic renewal. These categories will be rebid annually and will not be subject to a renewal.)
- TIPS reserves the right to award multiple vendors if vendors offer items that are unique or serve different geographic regions and have best value to TIPS participating entities.
- This proposal is requested for the benefit of the attached list of members and other new members as they execute Interlocal Agreements.

Benefits of TIPS

- Provide government entities opportunities for greater efficiency and economy in acquiring goods and services through competitively bid vendor contracts.
- Provide comprehensive purchasing practices with the insurance of the most competitive contracts.
- Provide competitive priced solicitation and bulk purchasing for multiple government entities that yields economic benefits unobtainable by the individual entity.
- Provide quick and efficient delivery of goods and services by contracting with “high performance” vendors.
- Equalized purchasing power for smaller entities.
- Assist government entities in maintaining the essential controls for budget and accounting purposes.
- Maintain credibility and confidence in business procedures by maintaining open competition for purchases and by complying with purchasing laws and ethical business practices.
- Provide document retention for competitively bid process for all TIPS Awarded Contracts.

Customer Service

- TIPS staff is available to members for assistance in viewing/contacting awarded vendors for categories to make purchases and contract decisions.
- TIPS provides a way for government entities to avoid the time and expense of seeking competition for purchases on an agency-by-agency basis.

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- TIPS enables vendors to become more efficient and competitive by reducing the number of bids and proposals that require responses to be made to individual districts.

Financing of TIPS

- The total cost of the TIPS program is funded through a Two Percent participation fee paid to TIPS by the participating vendors. The fee is based on actual vendor invoiced sales.
- TIPS does not charge any administrative fees to participating school districts or government entities.

Purchasing Procedures

- Contracts are established through open competition as described by the laws of the States listed for membership. Purchase orders are issued by participating governmental entities directly to the Vendor or vendor assigned dealer. Purchase orders are sent to the TIPS office where they are reviewed and authorized by the TIPS staff and forwarded to the Vendor within one working day.
- Vendors deliver goods/services directly to the participating agency and then invoice the participating agency. The Vendor receives payment directly from the participating agency.

SCHEDULE OF AWARD OR RELATED EVENT:

| | |
|---------------------------------|---|
| Posting Date | Monday, November 3, 2014 |
| Proposal Advertising | Monday, November 3, 2014 – December 11, 2014 |
| Proposal Deadline | Thursday, December 11, 2014 at 3:00 p.m. |
| Proposal Opening | Thursday, December 11, 2014 beginning at 3:01 p.m. |
| Proposals Review/Scoring | Friday, December 12, 2014 through January 21, 2015 |
| Proposals Award | January 22, 2015 |
| Award Notifications | Begin posting to TIPS Website January 21, 2015 Vendor may visit the TIPS Website for confirmation of award. Award letters will be mailed to all Awarded Vendors. Non Award letters will be mailed to vendors with No Awards. |

How to Submit a Proposal

Proposals are to include the information requested in the sequence and format prescribed herein.

Proposals are scored on bidder's ability to follow the requested format. Elaborate brochures or other presentations beyond those sufficient to present a complete and effective response to this solicitation are not desired. Any proposal received later than the specified date/time, whether delivered in person or mailed, will be disqualified. **Faxed or electronically submitted proposals will not be accepted.**

Proposal envelopes must be plainly marked with

| |
|--|
| TIPS CATEGORY |
| 457 Defined Contribution Plans |
| RFP-CONTRACT #01-012215 |
| OPENING DATE and TIME: Thursday, December 11, 2014 at 3:00 p.m. |

On the specified time of the Opening Date, TIPS will publicly receive, open, and read aloud the names and cities of proposing vendors. TIPS reserves the right to waive any informality and/or reject any or all proposals.

Proposal Instructions

1. Only sealed proposals are accepted. Faxed proposals will not be accepted because the fax process does not provide for the delivery of a sealed proposal.
2. Proposals may be submitted on any or all items, unless stated otherwise. TIPS reserves the right to reject any or all proposals and to accept any proposal deemed most advantageous to the participants in TIPS and to waive any informality in the proposal process.
3. Deviations to any Terms, Conditions and/or Specifications shall be conspicuously noted in writing by the vendor and shall be included with the proposal.
4. Withdrawal of proposals will not be allowed for a period of 90 days following the opening unless approved by TIPS.
5. Addenda, if required, will be issued by TIPS to all those known to have received a complete set of RFP documents at least five working days prior to the opening. The vendor shall acknowledge on the Signature Form any addenda that have been received.
6. Vendors not submitting proposals are requested to notify TIPS if they wish to receive RFP's in the future. Failure to do so may result in being deleted from the TIPS prospective bidder list.

PROPOSAL FORMAT - BIDDERS PAY CLOSE ATTENTION TO DETAILS LISTED.

Bidders shall submit written proposals in a three ring binder using the following format. Proposals not received in a 3-ring binder could receive -0- points for *proposal format*. All responses should be direct, concise, complete, and unambiguous. With regard to those items that cannot be answered in the affirmative, clearly explain the precise portion to which you disagree and why you disagree.

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Proposals are to be categorized within the binder with dividers according to the following:

| Section | Tab Divider Title |
|----------------|--|
| 1. | Signature Form (Insert Page 2:) |
| 2. | Special Terms & Conditions (Insert Page 26) |
| 3. | Vendor Profile (Insert Pages 27-29) |
| 4. | Qualifications – Instructions on Pages 9-18 Microsoft Word Document located on our website: www.tips-usa.com/assets/documents/docs/457.doc |
| 5. | References – Instructions on Page 17 |
| 6. | Warranty Information (If applicable, not required) |
| 7. | Vendor Certificates (If applicable, not required) |
| 8. | Supplementary catalogs and information (If applicable, not required) |

Felony Conviction Notice (Required in Texas) -Notification of Criminal History “A person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony. A school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract.” This notice is not required of a publicly held corporation. Texas Education Code § 44.034.

References

(See page 16 in Qualifications Section.)

Vendor Certifications

Vendor certifications will include applicable M/WBE and manufacturer certifications for sales and service (if applicable).

AWARD OF CONTRACT TO NONRESIDENT BIDDER - “A governmental entity may not award a governmental contract to a nonresident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.” *Texas Government Code § 2252.002.*

SCORING GRID

The Interlocal Purchasing System (TIPS) Bid Criteria and Relative Weights

457 Defined Contribution Plans. (NOTE: THIS PAGE WILL BE COMPLETED BY TIPS REVIEW COMMITTEE)

| No. | Category | Rating (0-5) | X | Weight | = | Total |
|-----|--|--------------|---|--------|---|-------|
| 1 | The reputation of the company as a provider of 457 services | | X | 2 | = | |
| 2 | The Extent to which the companies services meet the needs of participating TIPS school districts | | X | 2 | = | |
| 3 | The proposers past relationship with the TIPS and participating TIPS school districts | | X | 2 | = | |
| 4 | The proposer's fees and costs associated with its proposed services | | X | 4 | = | |
| 5 | The proposer's impact on the ability of TIPS to comply with the laws and rules relating to historically underutilized businesses | | X | 2 | = | |
| 6 | The long term cost to TIP's participating school districts for acquiring proposers 457 services | | X | 2 | = | |
| 7 | The quality of optional distribution benefits to meet participant needs | | X | 2 | = | |
| 8 | The proposer qualifications to provide FICA Alternative plan products and services | | X | 2 | = | |
| 9 | Proposal format | | X | 2 | = | |
| | TOTAL | | | | | |

TIPS Authorized Signature

Date

Approved by Region VIII ESC

Date

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Specifications and Qualifications

It is the intention of TIPS to establish a contract to satisfy the needs of participating government entities for **457 Defined Contribution Plans**. This contract will enable the agencies to purchase/contract on an “as needed” basis from a competitively awarded contract with high performance vendors. Bidders are requested to submit a proposal for offering their total line of available products that are commonly purchased by government entities and school districts.

A. Qualification Statement

Please provide complete responses to each question provided below.

457 Plans

ORGANIZATION AND HISTORY

1. Please provide the name(s), title(s), address(es), e-mail address, telephone and fax number(s) of the individual(s) responsible for responding to this request.
2. Provide a brief overview of your company and history of your organization including an organizational chart of your retirement plan operations. Please describe any parent/subsidiary/affiliate relationships.
3. Are you currently participating in any alliances or joint marketing efforts? If so, please describe in detail.
4. Indicate how many years your company has been active in 457 business. (Indicate the period of time for each service, if different, such as investment management for X years, recordkeeping for Y years, trustee services for Z years.)
5. Indicate the total value of assets in all 457 plans for which you provide recordkeeping services.
6. What is the total number of participants in all 457 plans for which you provide recordkeeping services?
7. How many 457 plans do you currently administer?

CLIENT SERVICE / QUALITY ASSURANCE

1. Please describe the team that would deal directly with us during the transition and on an ongoing basis. Indicate staff size, experience and turnover rates.
2. What is the average number of clients managed by the plan administrator for plans of this size?
3. What type of training is required for new employees before they work on client plans?
4. How many of your employees work on 457 plans? Provide breakdown by functional area.
5. What are your client retention statistics for each of the last three years?
 - For those who left, what percentage left due to issues pertaining to services provided by your organization?
 - What is the average client relationship duration?
6. Describe your organization’s commitment to quality and your philosophy/approach to client services.

7. Describe your procedures for monitoring
 - client satisfaction

 - participant satisfaction
8. Describe your service/timing standards.
9. What checks and balances do you have in place to assure plan administration integrity and accuracy including participant ACCOUNT data?

OPTIONAL DISTRIBUTION BENEFITS

1. Does your organization offer an a guaranteed withdrawal benefit, without annuitization, with its fixed or indexed annuities?
 - Are their age restrictions?

 - Are the benefits guaranteed for life or for some other period?
2. Does your guaranteed withdrawal benefit offer choices for income (single life, joint life, increasing benefits and or enhanced benefits for the medically impaired, other)?
3. Describe how income benefits are calculated under your guaranteed withdrawal benefit.
4. How does the guaranteed withdrawal benefit affect the policy's death benefit?
5. What are the charges, if any, for your guaranteed withdrawal benefit?
6. What affect do loans have on the income benefit?

FICA ALTERNATIVE PLANS

1. Provide a brief summary of your company's qualifications to provide services for the FICA Alternative plan. How many parties (brokers, administrators, insurers, trustees, etc.) are involved in your program? Who are they and what is their experience with FICA Alternative Plans?
2. Provide a list of all FICA Alternative plan clients. How many plan participants in total are in your FICA Alternative plans?
3. How will you service the plan? Who will work with the agency when queries or issues arise?
4. How do participants enroll in the plan?
5. How are distributions handled?
6. Do you provide QDRO administration?
7. Explain how you educate plan participants on the FICA Alternative Plan. What support and educational resources are available? Please detail all costs for these services.

8. Who would handle the process of obtaining an IRS Letter of Determination for the District for its specific plan documents?
9. How are fees paid? Please describe the total fees, expenses, revenues, commissions, or other income earned and paid to the various parties involved with the plan, including hard and soft dollar fees.
10. Service providers will be expected to prepare a customized plan document for the City that meets the requirements of the applicable IRS Code. Such providers must agree to keep the plan document up to date with changes in laws and regulations. Do you agree to these terms and conditions? Are there any additional fees for these services?
11. Provide all legal documents and service agreements to enter into the program.

RECORDKEEPING / ADMINISTRATION

1. Do you provide one main contact for the daily administrative needs of this plan?
2. Do you provide daily valuation? Describe in detail how your system allocates earnings.
3. What methods of data transmission are available?
4. Describe in detail how your system processes contributions.
5. Describe in detail, including timing, how your system processes withdrawals (i.e. in-service and hardship withdrawals).
6. Describe in detail, including timing, how your system processes:
 - a. lump-sum distributions
 - b. systematic payments/installments
 - c. annuitization
 - d. rollovers to another plan or an IRA
 - e. required minimum distributions
7. What options are available to terminated/retired participants? Can funds be kept under the plan?
8. Describe in detail how your system processes transfers/exchanges (including frequency/limitations). Are confirmations sent?
9. Describe your process and methods of reallocation (percent and/or dollar).
10. Can employer and employee contributions be tracked separately?
11. Describe in detail your system's vesting capability. How many different schedules can your system support?
12. Describe in detail how your system handles Federal and State tax reporting (i.e. Form 1099R). Do you provide tax form preparation and filing?
13. Describe in detail how you administer Qualified Domestic Relations Orders (QDROs).

14. What checks and balances do you have in place to ensure transactional integrity?

15. Do you provide an administration manual?

REGULATORY SERVICES

1. Describe your capabilities for the following:

a) Annual addition limitations: 415(c)

b) Monitoring of elective deferrals: (402(g))

c) Coverage testing for controlled groups: 410(b)

2. How do you address violations for any of the testing covered in question 1?

3. Do you provide:

a) Customized plan document

b) Prototype plan document

c) Customized SPD

d) Prototype SPD

e) Qualification submission

4. How do you keep Plan Sponsors informed and updated on any regulatory and legislative changes?

5. How will you ensure that our plan remains in compliance?

6. How do you ensure that your recordkeeping system is in compliance with all regulations?

7. Describe any past or pending litigation, within the last 5 years, relating to the services you are proposing.

LOANS (IF APPLICABLE)

1. Describe in detail your loan processing capabilities.

2. Do you have paperless loan capabilities? If so, describe.

3. Describe the flexibility in your loan repayment processing (i.e., additional payments, multiple loans, missed payments).

4. How do you handle delinquent and/or defaulted loans?

5. What responsibility do we retain for initial and ongoing loan servicing?

6. Describe any other features and/or limitations of the loan system not detailed above (i.e., loan modeling, amortization scheduling, etc.)

REPORTING

1. Describe the standard reporting package that you would provide us as well as the medium(s) used (provide samples).
2. Describe any customized or ad hoc reporting capabilities including Internet capabilities.
3. Describe your standard participant level statements and documents (provide samples).
4. Describe your customization capabilities for participant level statements.
5. Can reports/statements be produced on other media? Please describe.
6. What is the standard timeframe for providing each report after the reporting period ends?

INTERNET ACCESS AND CALL CENTER

Internet Access

1. Describe the account services and transaction capabilities available through your participant website.
2. Are there any transactions that cannot be processed through your website?
3. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
4. Describe the level of customization available for clients using your internet services.
5. If a participant elects to move from the website to a call center service representative, describe the interface between the website and the service representative.
6. How often is the data on the website updated? How does the website interface with the recordkeeping system?
7. Please identify your website account access and transactional availability statistics (average availability per month as a percentage).

Call Center

1. Please identify your toll-free service center standards. Please include for each of the last three calendar quarters, statistics related to actual performance.
 - Number of calls
 - Average length of calls
 - Average response time
 - Percentage of calls requiring follow-up
 - Call abort rate

- Percentage of incoming calls totally handled via VRS versus toll-free live service center representative assistance
- Percentage of service requests handled via website versus call center and VRS

2. What training is provided to toll-free service center representatives before they are allowed to handle incoming calls?
3. Do you monitor and/or tape toll-free calls?
4. What are your case management procedures for calls that have service issues?
5. What information is available to toll-free service representatives to allow them to effectively answer participant questions?

COMMUNICATION AND EDUCATION

1. Briefly describe your background and experience in providing communication and education programs.
2. Identify the key elements provided as part of a standard communication and education program package included in your proposal.
3. Identify non-standard elements to a communication and education program you may provide for an additional charge.
4. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). If the program is tailored to a specific plan sponsor need, identify the critical issues to be determined in designing such a program.
5. Can material be customized?
6. Do you provide personnel resources as part of both the initial and on-going communication and education program?
7. Do you provide communication and education material in a foreign language? If so, what language(s) and what material?
8. Do you create all of your communication and education material in-house or through third-parties?
9. Describe the process you use to help plan sponsors measure the effectiveness of employee education efforts.
10. Does your organization provide any services (i.e., personal questionnaires, software) that would help individual participants with financial planning? Describe any electronic education tools you provide, both software-based and web-based.
11. Describe your position on providing investment advice to participants.
12. If advice is offered, is it in-house or via a third party? Describe your process, mode and scope of advice.
13. Describe education tools or programs designed to support IRA rollovers and/or retirement distributions.
14. Provide samples of initial enrollment and on-going communication and education materials (please include as an appendix to your response).

CONVERSION (FOR EXISTING PLANS)

1. Explain your conversion process, including time frame, based on the options available.
2. Is a “black-out” period required? If yes, how long is it and what is restricted or not available during that time?
3. What involvement will be required from us during the conversion process?
4. Do you provide a dedicated conversion team?
5. What conversion audit reporting do you provide?
6. Describe your process to ensure accurate conversion of all historical data.
7. Do you have any limitations as to the format/media of conversion records?
8. How are investments handled during the conversion process?
9. How does your system handle conversion/set-ups of pre-existing loans from another recordkeeping system?
10. How do you monitor the effectiveness and quality of your conversion process and team?

IMPLEMENTATION (FOR NEW PLANS)

1. Explain your implementation process including time frame. What is the minimum time frame needed to ensure a smooth implementation?
2. What involvement will be required from us during the implementation process?
3. Do you provide a separate team apart from the ongoing team for implementation responsibilities?

SYSTEMS CAPABILITIES AND HARDWARE

1. Describe the hardware platform and software system you use to record keep and administer 401(a) plans.
2. Was the software developed internally, leased, or bought from another provider? Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, client needs, etc.?
3. How often is the system upgraded?
4. What system enhancements do you have planned over the next three years for:
 - Core recordkeeping system
 - Service technology
5. Describe your documented disaster recovery plan. How often do you test your recovery system?

6. 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?
7. Describe the method of maintaining plan sponsor and participant history on the system.
8. Describe the valuation methods offered by your system.
9. Are internal controls of your recordkeeping system audited by an independent accounting firm on an annual or more frequent basis? If so, please provide a copy of the most recent report.
10. Does the system allow for plan sponsor customization/limits such as:
 - transfer frequency
 - minimum/maximum contribution percentages
 - withdrawal frequency
 - investment election changes
 - other
11. Describe your system's maximum limits with regards to the following:
 - investment funds
 - money types
 - loans
 - transfers
 - other
12. Please provide ongoing transaction layouts if specific layouts are required.

INVESTMENTS

1. Discuss your organization's ability to provide investment vehicles for 401(a) plans. Be sure to disclose if you are providing these vehicles in-house or through external managers.
2. How can you help us comply with 404(c)?
3. How long have you provided investment services?
4. Please identify the number and types of investment vehicles that will be available to us.
5. For each investment vehicle identified above, provide:
 - the inception date,
 - the name of the investment/portfolio manager,
 - a biography of the manager,

- the investment vehicle objective,
- the investment philosophy,
- the expense structure (including any loads, load waivers, management fees, other expenses, 12b-1 fees, fee subsidies, etc.),
- the comparative index(s) used by the manager, and
- withdrawal provisions (including restrictions on transfers).

6. For each investment vehicle, provide the annualized return for the 1, 3, 5 and 10 year (or since inception) periods ending on the last calendar quarter.

7. For the stable value investment with guaranteed interest, describe the current and minimum interest rate guarantees, how interest is credited, and the frequency of rate changes. Furthermore, provide the make-up of the underlying portfolio including asset type, grade and percentage breakdown.

10. Provide a copy of your investment contract (please include as an appendix to your response).

REFERENCES

1. Please provide 3 references of current clients who have similar plan demographics (i.e., size and plan design). At least 1 of the 3 should have converted within the last year. Please provide client name, contact name, address, phone number, services provided, and year they became a client.

COST CONSIDERATIONS

EXPENSES

Please provide a schedule of expenses covering each of the services and activities listed below. For each of the expenses the potential vendor must also identify if the expense is:

- One-time or on going
- Breakpoint impacted
- Participant paid (direct or account adjustment)
- Guaranteed (length of guarantee)
- Performance adjustable charge
- Discount oriented
- Plan sponsor paid (billed and billing frequency)
- Absorbed in determining daily investment share/unit value

In addition to the expense schedule, the following will also be considered:

1. What are the start-up/conversion costs and the termination costs?
2. For how long will you guarantee specific expenses?
3. What are the factors you consider in determining future increases and when they are to occur?
4. Are there additional charges made at the time of plan changes we initiate or legislated or regulated changes? Please address the differences should we use a prototype or individually designed plan.
5. Describe what plan consulting services are included and related hourly charges and out-of-pocket expenses.
6. How are expenses adjusted if a sizable number of participants are added or removed from the plan (such as either acquisition or divestiture or partial plan termination)?
7. Do you offer any expense arrangement whereby we share in your firm's upside potential as participants and plan assets increase over time?
8. If you offer an alliance relationship, please identify any "offset" to expenses.

VENDOR CONTRACT

Between _____ and

(List Vendor or Company Name)

THE INTERLOCAL PURCHASING SYSTEM (TIPS)

For

457 Defined Contribution Plans

#01-012215

General Information

The contract shall include the contract, the terms and conditions, special terms and conditions, any agreed upon amendments, as well as all of the sections of the solicitation and the awarded vendor's proposal. Once signed, if the awarded vendor's proposal varies or is unclear in any way from the TIPS contract, TIPS, at its sole discretion, will decide which provision will prevail. Other documents to be included are the awarded vendor's proposals, task orders, purchase orders and any adjustments which have been issued.

The following pages will constitute the contract between the successful vendors(s) and TIPS. Bidders shall state, in a separate writing, and include with their proposal response, any required exceptions or deviations from these terms, conditions, and specifications. If agreed to by TIPS, they will be incorporated into the final contract. NOTE: The award of this contract to vendor is made following all requirements to meet the Competitively Bid Procurement Laws.

The Vendor Contract ("Contract") made and entered into by and between The Interlocal Purchasing System (hereinafter referred to as "TIPS" respectfully) a government cooperative purchasing program authorized by the Region VIII Education Service Center, having its principal place of residence at 4845 North US Hwy 271, Pittsburg, Texas 75686. This contract consists of the provisions set forth below, including provisions of all Attachments referenced herein. In the event of a conflict between the provisions set forth below and those contained in any Attachment, the provisions set forth shall control.

Terms and Conditions

Freight

All deliveries shall be freight prepaid, F.O.B. destination and shall be included in all pricing offered unless otherwise clearly stated in writing.

Warranty Conditions

All supplies equipment and services shall include manufacturer's minimum standard warranty unless otherwise agreed to in writing. Vendor shall be an authorized dealer, distributor or manufacturer for all products. All equipment proposed shall be new unless clearly stated in writing.

Customer Support

The Vendor shall provide timely and accurate customer support to TIPS members. Vendors shall respond to such requests within one (1) working day after receipt of the request. Vendor shall provide training regarding products and services supplied by the Vendor unless otherwise clearly stated in writing at the time of purchase. (Unless training is a line item sold or packaged and must be purchased with product.)

Contracts

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All contracts and agreements between Vendors and TIPS Members shall strictly adhere to the statutes that are set forth in the Uniform Commercial Code as most recently revised.

Contracts for purchase will normally be put into effect by means of a purchase order(s) executed by authorized agents of the participating government entities.

Davis Bacon Act requirements will be met when Federal Funds are used for construction and/or repair of buildings.

Tax exempt status

A taxable item sold, leased, or rented to, or stored, used, or consumed by, any of the following governmental entities is exempted from the taxes imposed by this chapter:(1) the United States; (2) an unincorporated instrumentality of the United States; (3) a corporation that is an agency or instrumentality of the United States and is wholly owned by the United States or by another corporation wholly owned by the United States;(4) the State of Texas; (5) a Texas county, city, special district, or other political subdivision; or (6) a state, or a governmental unit of a state that borders Texas, but only to the extent that the other state or governmental unit exempts or does not impose a tax on similar sales of items to this state or a political subdivision of this state. Texas Tax Code § 151.309.

Assignments of contracts

No assignment of contract may be made without the prior written approval of TIPS. Payment can only be made to the awarded Vendor or vendor assigned dealer.

Disclosures

1. Vendor affirms that he/she has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with this contract.
2. Vendor shall attach, in writing, a complete description of any and all relationships that might be considered a conflict of interest in doing business with participants in the TIPS program.
3. The vendor affirms that, to the best of his/her knowledge, the offer has been arrived at independently, and is submitted without collusion with anyone to obtain information or gain any favoritism that would in any way limit competition or give an unfair advantage over other vendors in the award of this contract.

Renewal of Contracts

This contract period is for one (12) months with an option for renewal for 2 consecutive years. Total term of contract can be up to 3 years if sales are reported through the contract and both parties agree.

Shipments

The Vendor shall ship ordered products within five (5) working days after the receipt of the order. If a product cannot be shipped within that time, the Vendor shall notify TIPS and the requesting entity as to why the product has not shipped and shall provide an estimated shipping date, if applicable. TIPS or the requesting entity may cancel the order if estimated shipping time is not acceptable.

Invoices

The Vendor or vendor assigned dealer shall submit invoices, to the TIPS participant. Each invoice shall include the TIPS participant's purchase order number. The shipment tracking number or pertinent information for verification of TIPS participant receipt shall be made available upon request. The Vendor or vendor assigned dealer shall not invoice for partial shipments unless agreed to in writing in advance by TIPS and the TIPS participant.

Payments

The TIPS participant will make payments directly to the Vendor or vendor assigned dealer at net 30 days after receiving invoice.

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Pricing

The Vendor contracts to provide pricing to TIPS and its participating governmental entities that is the lowest pricing available to like cooperative purchasing customers and the pricing shall remain so throughout the duration of the contract. The Vendor agrees to not sell to TIPS members at a price lower than can be obtained thru the TIPS contract.

The Vendor agrees to promptly lower the cost of any product purchased through TIPS following a reduction in the manufacturer or publisher's direct cost to the Vendor. Price increases will be honored. However, the Vendor shall honor previous prices for thirty (30) days after written notification to TIPS of an increase.

All pricing submitted to TIPS shall include the Two Percent 2% participation fee to be remitted to TIPS by the Vendor. Vendor will not show adding the 2% per total purchase to the invoice presented to customer.

Participation Fees

Vendor or vendor assigned dealer contracts to pay 2% on all sales to TIPS on a monthly submission report. The Vendor or vendor assigned dealer is responsible for keeping record of all sales that go through the TIPS contract. Report may be sent to TIPS electronically while check for the 2% is mailed. Failure to pay the 2% participation fee will result in termination of contract.

Indemnity

1. **Indemnity for Personality Contracts.** Vendor agrees to indemnify and hold harmless and defend TIPS, its member(s), officers and employees, from and against all claims and suits for damages, injuries to persons (including death), property damages, losses, and expenses including court costs and attorney's fees, arising out of, or resulting from, Vendor's performance of this contract, including all such causes of action based upon common, constitutional, or statutory law, or based in whole or in part, upon allegations of negligent or intentional acts on the part of the Vendor, its officers, employees, agents, subcontractors, licensees, invitees, whether or not such claims are based in whole or in part upon the negligent acts or omissions of the TIPS, member(s), officers, employees, or agents.
2. **Indemnity for Performance Contracts.** The Vendor agrees to indemnify and hold harmless and defend TIPS, its member(s), officers and employees from and against all claims and suits for damages, injuries to persons (including death), property damages, losses, and expenses including court costs and attorney's fees, arising out of, or resulting from, Vendor's work under this contract, including all such causes of action based upon common, constitutional, or statutory law, or based in whole or in part, upon allegations of negligent or intentional acts on the part of the Vendor, its officers, employees, agents, subcontractors, licensees, or invitees. Vendor further agrees to indemnify and hold harmless and defend TIPS, its member(s), officers and employees, from and against all claims and suits for injuries (including death) to an officer, employee, agent, subcontractor, supplier or equipment lessee of the Vendor, arising out of, or resulting from, Vendor's work under this contract whether or not such claims are based in whole or in part upon the negligent acts or omissions of the TIPS, its member(s), officers, employees, or agents.

Attorney's Fees--Texas Local Government Code § 271.159 is expressly referenced.

Pursuant to §271.159, TEXAS LOC. GOV'T CODE, in the event that any one of the Parties is required to obtain the services of an attorney to enforce this Agreement, the prevailing party, in addition to other remedies available, shall be entitled to recover reasonable attorney's fees and costs of court.

Multiple Vendor Awards

TIPS reserves the right to award multiple vendor contracts for categories when deemed in the best interest of the membership. Bidders scoring 80% or above will be considered for an award. Categories are established at the discretion of TIPS.

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State of Texas Franchise Tax

By signature hereon, the bidder hereby certifies that he/she is not currently delinquent in the payment of any franchise taxes owed the State of Texas under Chapter 171, Tax Code.

Miscellaneous

The Vendor acknowledges and agrees that continued participation in TIPS is subject to TIPS sole discretion and that any Vendor may be removed from the participation in the Program at any time with or without cause. Nothing in the contract or in any other communication between TIPS and the Vendor may be construed as a guarantee that TIPS participants will submit any orders at any time. TIPS reserves the right to request additional proposals for items already on contract at any time.

Purchase Order Pricing/Product Deviation

If a deviation of pricing/product on a purchase order occurs, TIPS is to be notified within 24 hours of receipt of order.

Cancellation for non-performance or contract deficiency

TIPS may terminate any contract if Vendor has not used the contract, or if purchase volume is determined to be “low volume” in any 12-month period. TIPS reserves the right to cancel the whole or any part of this contract due to failure by awarded vendor to carry out any obligation, term or condition of the contract. TIPS may issue a written deficiency notice to awarded vendor for acting or failing to act in any of the following:

- Providing material that does not meet the specifications of the contract;
- Providing work and/or material that was not awarded under the contract;
- Failing to adequately perform the services set forth in the scope of work and specifications;
- Failing to complete required work or furnish required materials within a reasonable amount of time;
- Failing to make progress in performance of the contract and/or giving TIPS reason to believe that awarded vendor will not or cannot perform the requirements of the contract; and/or
- Performing work or providing services under the contract prior to receiving a TIPS reviewed purchase order for such work.

Upon receipt of the written deficiency, awarded vendor shall have ten (10) days to provide a satisfactory response to TIPS. Failure to adequately address all issues of concern may result in contract cancellation. Upon cancellation under this paragraph, all goods, materials, work, documents, data and reports prepared by awarded vendor under this contract shall become the property of the Member on demand.

Member Purchasing Procedures

Purchase orders are issued by participating member to the awarded vendor as follows:

- Make PO payable to Awarded Vendor.
- List TIPS Vendor Contract #01-012215 on PO.
- Email PO as a PDF attachment to tipspo@tips-usa.com
- Vendor will receive the PO from the TIPS PO System. Vendor is required to follow the link in the email and open each PO to complete the return acknowledgement process to TIPS.

Form of Contract

The form of contract for this solicitation shall be the sealed Request for Proposal, the awarded proposal(s) and best and final offer(s), and properly issued and reviewed purchase orders referencing the requirements of the Request for Proposals. If a vendor submitting an offer requires TIPS and/or Member to sign an additional agreement, a copy of the proposed agreement must be included with the proposal.

Vendor contract documents: TIPS will review proposed vendor contract documents. Vendor’s contract document shall not become part of the TIPS contract with vendor unless and until an authorized representative of TIPS reviews and approves it.

Licenses

Awarded vendor shall maintain in current status all federal, state and local licenses, bonds and permits required for the operation of the business conducted by awarded vendor. Awarded vendor shall remain fully informed of and in compliance with all ordinances and regulations pertaining to the lawful provision of services under the contract. TIPS reserves the right to stop work and/or cancel contract of any awarded vendor whose license(s) expire, lapse, are suspended or terminated.

Novation

If awarded vendor sells or transfers all assets or the entire portion of the assets used to perform this contract, a successor in interest must guarantee to perform all obligations under this contract. TIPS reserves the right to accept or reject any new party. A simple change of name agreement will not change the contractual obligations of awarded vendor.

Site Requirements (when applicable to service or job)

Cleanup: Awarded vendor shall clean up and remove all debris and rubbish resulting from their work as required or directed by Member. Upon completion of work, the premises shall be left in good repair and an orderly, neat, clean and unobstructed condition.

Preparation: Awarded vendor shall not begin a project for which Member has not prepared the site, unless awarded vendor does the preparation work at no cost, or until Member includes the cost of site preparation in a purchase order.

Site preparation includes, but is not limited to: moving furniture, installing wiring for networks or power, and similar pre-installation requirements.

Registered sex offender restrictions: For work to be performed at schools, awarded vendor agrees that no employee of a sub-contractor who has been adjudicated to be a registered sex offender will perform work at any time when students are or reasonably expected to be present. Awarded vendor agrees that a violation of this condition shall be considered a material breach and may result in the cancellation of the purchase order at the Member's discretion.

Awarded vendor must identify any additional costs associated with compliance of this term. If no costs are specified, compliance with this term will be provided at no additional charge.

Safety measures: Awarded vendor shall take all reasonable precautions for the safety of employees on the worksite, and shall erect and properly maintain all necessary safeguards for protection of workers and the public. Awarded vendor shall post warning signs against all hazards created by the operation and work in progress. Proper precautions shall be taken pursuant to state law and standard practices to protect workers, general public and existing structures from injury or damage.

Smoking

Persons working under contract shall adhere to local smoking policies. Smoking will only be permitted in posted areas or off premises.

Invoices

The awarded vendor shall submit invoices to the participating entity clearly stating "Per TIPS Contract #". The shipment tracking number or pertinent information for verification shall be made available upon request.

Marketing

Awarded vendor agrees to allow TIPS to use their name and logo within website, marketing materials and advertisement. Any use of TIPS name and logo or any form of publicity, inclusive of press release, regarding this contract by awarded vendor must have prior approval from TIPS.

Supplemental agreements

The entity participating in the TIPS contract and awarded vendor may enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in this contract i.e. invoice requirements, ordering requirements, specialized delivery, etc. Any supplemental agreement developed as a result of this contract is exclusively between the participating entity and awarded vendor. TIPS, its agents, members and employees shall not be made party to any claim for breach of such agreement.

Legal obligations

It is the responding vendor's responsibility to be aware of and comply with all local, state and federal laws governing the sale of products/services identified in this RFP and any awarded contract thereof. Applicable laws and regulations must be followed even if not specifically identified herein.

Audit rights

Awarded Vendor shall, at their sole expense, maintain appropriate due diligence of all purchases made by TIPS Member that utilizes this Contract. TIPS and Region 8 ESC each reserve the right to audit the accounting for a period of three (3) years from the time such purchases are made. This audit right shall survive termination of this Agreement for a period of one (1) year from the effective date of termination. TIPS shall have authority to conduct random audits of Awarded Vendor's pricing that is offered to Members. Notwithstanding the foregoing, in the event that TIPS is made aware of any pricing being offered to eligible entities that is materially inconsistent with the pricing under this agreement, TIPS shall have the ability to conduct the audit internally or may engage a third-party auditing firm. In the event of an audit, the requested materials shall be provided in the format and at the location designated by Region 8 ESC or TIPS.

Force Majeure

If by reason of Force Majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement then such party shall give notice and fully particulars of Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, except as hereinafter provided, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch.

Services

When applicable, performance bonds will be required on construction or labor required jobs over \$100,000 and payment bonds on jobs over \$25,000 or awarded vendor will meet the member's local and state purchasing requirements. Awarded vendors may need to provide additional capacity as jobs increase. Bonds will not require that a fee be paid to TIPS. The actual cost of the bond will be a pass through to the member and added to the purchase order.

Scope of Services

The specific scope of work for each job shall be determined in advance and in writing between TIPS Member and Awarded vendor. It is okay if the member provides a general scope, but the awarded vendor should provide a written scope of work to the member as part of the proposal. Once the scope of the job is agreed to, the member will issue a PO with the estimate referenced as an attachment along with bond and any other special provisions agreed to for the member. If special terms and conditions other than those covered within this solicitation and awarded contracts are required, they will be attached to the PO and shall take precedence over those in the base contract.

Project Delivery Order Procedures

The member having approved and signed an Interlocal agreement may make a request of the awarded vendor under this contract when the member has services that need to be undertaken. Notification may occur via phone, the web, email, fax, or in person.

Upon notification of a pending request, the awarded vendor shall make contact with the member as soon as possible, but must make contact with the member within two working days.

Scheduling of Projects

Scheduling of projects (if applicable) will be accomplished when the member issues a purchase order that will serve as “the notice to proceed”. The period for the delivery order will include the mobilization, materials purchase, installation and delivery, design, weather, and site cleanup and inspection. No additional claims may be made for delays as a result of these items. When the tasks have been completed the awarded vendor shall notify the client and have the member inspect the work for acceptance under the scope and terms in the PO. The member will issue in writing any corrective actions that are required. Upon completion of these items, the member will issue a completion notice and final payment will be issued.

Support Requirements

If there is a dispute between the awarded vendor and member, TIPS or its representatives will assist in conflict resolution or third party (mandatory mediation), if requested by either party.

TIPS, or its representatives, reserves the right to inspect any project and audit the awarded vendors TIPS project files, documentation and correspondence.

Special Terms and Conditions

It is the intent of TIPS to contract with a reliable, high performance vendor to supply commodities to government and educational agencies. It is the experience of TIPS that the following procedures provide TIPS, the Vendor, and the participating agency the necessary support to facilitate a mutually beneficial relationship. The specific procedures will be negotiated with the successful vendor.

- **Contracts:** All vendor purchase orders **must be emailed** to **tipspo@tips-usa.com**. Should an agency send an order direct to vendor, it is the vendor's responsibility to forward the order to TIPS at the address/email above within 24 business hours and confirm its receipt with TIPS.
 - **Promotion of Contract:** It is agreed that Vendor will encourage all eligible entities to purchase from the TIPS Program. Encouraging entities to purchase directly from the Vendor and not through TIPS contract is not acceptable to the terms and conditions of this contract and will result in removal of Vendor from Program. Vendor is expected to use marketing funds for the marketing and promotion of this contract.
 - **Daily Order Confirmation:** All contract purchase orders will be faxed twice daily from TIPS to vendor. The vendor must confirm receipt of orders to the member (customer) within 24 business hours.
 - **Vendor custom website for TIPS:** If Vendor is hosting a custom TIPS website, updated pricing must be posted by 1st of each month.
 - **Back Ordered Products:** If product is not expected to ship within 3 business days, customer is to be notified within 24 hours and appropriate action taken based on customer request.
-

Check one of the following responses to the General Terms and Special Terms and Conditions:

- () We take no exceptions/deviations to the general and special terms and conditions.

(Note: If none are listed below, it is understood that no exceptions/deviations are taken.)

- () We take the following exceptions/deviations to the general and special terms and conditions. All exceptions/deviations must be clearly explained. Reference the corresponding general or special terms and conditions that you are taking exceptions/deviations to. The proposer must clearly state if you are adding additional terms and conditions to the general or special terms and conditions. Provide details on your exceptions/deviations below:

(Note: Unacceptable exceptions shall remove your proposal from consideration for award. TIPS shall be the sole judge on the acceptance of exceptions/deviations and TIPS's decision shall be final.

Vendor Profile

1.1. Minority/Women Business Enterprise (Required by some participating governmental entities)

Vendor certifies that his firm is a HUB and/or M/WBE Yes No
(If yes, vendor must provide certificate in Section 7 (Certificates))

1.2. Certification of Residency (Required by the State of Texas)

Company submitting bid is a Texas resident bidder. Yes No

Vendor's principal place of business is in the city of _____ State of _____

1.3. Felony Conviction Notice (Required by the State of Texas)

My firm is, as outlined in the Instructions to Bidders:

- A publicly held corporation; therefore, this reporting requirement is not applicable.
- Is not owned or operated by anyone who has been convicted of a felony.
- Is owned or operated by the following individual(s) who has/have been convicted of a felony:
If the 3rd box is checked, a detailed explanation of the names and convictions must be attached.

1.4. Pricing Information

1.4.1. In addition to the typical unit pricing furnished herein, the Vendor agrees to furnish all current and future products at prices that are proportionate to Dealer Pricing. Yes No

If answer is no, attach a statement detailing how pricing for TIPS participants would be calculated.

1.4.2. Pricing submitted includes the 2% TIPS participation fee. Yes No

1.4.3. Vendor agrees to remit to TIPS the required 2% participation fee. Yes No

1.4.4. Additional discounts to TIPS members for bulk quantities or scope of work? Yes No

1.5. Vendor Service

1.5.1. Average shipping time after receipt of customer order is _____ working days.

1.5.2. Which description best describes your company's position in the distribution channel?

- | | |
|---|--|
| <input type="checkbox"/> Manufacturer direct | <input type="checkbox"/> Certified education/government reseller |
| <input type="checkbox"/> Authorized distributor | <input type="checkbox"/> Manufacturer marketing thru reseller |
| <input type="checkbox"/> Value-added reseller | <input type="checkbox"/> Other _____ |

1.5.3. Company experience in this category. _____ Years

The Vendor can provide services and/or products to all 50 US States? Yes No

If answer is no, please list which states can be served _____

Prices are guaranteed for: (Standard Term is "Term of Contract") Term selected will affect scoring.

_____ **Month(s); or** _____ **Year(s); or** _____ **Term of Contract**

CONTRACT Signature Form

The undersigned hereby proposes and agrees to furnish goods and/or services in strict compliance with the terms, specifications and conditions at the prices quoted unless noted in writing. The undersigned further certifies that he or she is an authorized agent of the company and has authority to negotiate and contract for the company named below.

Note: The information in BOLD will be the PRIMARY COMPANY INFORMATION listed on the Vendor Page.

Company name _____

Mailing Address _____

City/State/Zip _____

Telephone No. _____

Fax No. _____

E-mail address _____

Authorized signature _____

Printed name _____

Position with company _____

Purchase Order Contact Person Name: _____

(This person is responsible for receiving Email: _____

Purchase Orders from TIPS) Phone: _____

Company Website _____

This contract is for a total TERM of three years, but is reviewed and renewed every 12 months. Vendors shall honor the participation fee for any sales made based on the TIPS contract. Failure to pay the fee will be grounds for termination of contract and will affect the award of future contracts.

TIPS Authorized Signature

Date

Approved by Region VIII ESC

Date

For Complete Membership List Go To:

<http://www.tips-usa.com/assets/documents/docs/membership.pdf>