



City of Tacoma, WA

**CITY OF TACOMA / CITYWIDE
REQUEST FOR PROPOSALS
DEFERRED COMPENSATION 457(B) PLAN ADMINISTRATION
SERVICES SPECIFICATION NO. HR20-0303F**

**Human Resources
Compensation & Benefits**

**REQUEST FOR PROPOSALS HR20-0303F
Deferred Compensation 457(b) Plan Administrative Services**

Submittal Deadline: 11:00 a.m., Pacific Time, Tuesday, December 8, 2020

Submittal Delivery: Sealed submittals will be received as follows:

By Email: bids@cityoftacoma.org

Maximum file size: 35 MB. Multiple emails may be sent for each submittal

Until further notice, public Bid Opening meetings have been cancelled.

Submittals in response to a RFP will be recorded as received. As soon as possible on the day of submittal deadline, preliminary results will be posted to www.TacomaPurchasing.org.

Solicitation Documents: An electronic copy of the complete solicitation documents may be viewed and obtained by accessing the City of Tacoma Purchasing website at www.TacomaPurchasing.org.

- [Register for the Bid Holders List](#) to receive notices of addenda, questions and answers and related updates.
- Click here to see a [list of vendors registered for this solicitation](#).

Project Scope: The City of Tacoma, Human Resources Department (hereinafter referred to as "City") is seeking proposals from qualified firms to provide IRS Code Section 457(b) Deferred Compensation Plan Record-Keeping, Communication, Education and Counseling.

Paid Leave and Minimum Wage: Effective February 1, 2016, the City of Tacoma requires all employers to provide paid leave and minimum wages, as set forth in Title 18 of the Tacoma Municipal Code. For more information visit www.cityoftacoma.org/employmentstandards.

Americans with Disabilities Act (ADA Information): The City of Tacoma, in accordance with Section 504 of the Rehabilitation Act (Section 504) and the Americans with Disabilities Act (ADA), commits to nondiscrimination on the basis of disability, in all of its programs and activities. Specification materials can be made available in an alternate format by emailing Gail Himes at ghimes@cityoftacoma.org, or by calling her collect at 253-591-5785.

Additional Information: Requests for information regarding the specifications may be obtained by contacting Tad Carlson, Senior Buyer by email to tcarlson@cityoftacoma.org

Protest Policy: City of Tacoma [protest policy](#), located at www.tacomapurchasing.org, specifies procedures for protests submitted prior to and after submittal deadline.

Meeting sites are accessible to persons with disabilities. Reasonable accommodations for persons with disabilities can be arranged with 48 hours advance notice by calling 253-502-8468.

Request for Proposals

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SUBMITTAL CHECK LIST

- A. This checklist identifies items to be included with your submittal. Any submittal received without these required items may be deemed non-responsive and may not be considered for award.
- B. Submittals must be sealed in an envelope or package labeled with the specification number, specification title, and Respondent name and address.
- C. Sealed submittals must be received by the City of Tacoma Purchasing Division by the date and time specified in the Request for Proposals page at the front of this Specification or subsequent addenda.
- D. **Please do not include the full RFP document as part of your submittal. Doing so may render your submittal non-responsive.**

The following items, in this order, make up your submittal package: <u>Other than the forms listed below, please do not include other pages or content from this RFP document.</u>	
One Electronic copy of your complete submittal package	
Signature Page & Questionnaire (Appendix A)	
Table of Contents (Section 3.02)	

After award, the following documents will be executed
Contract (Sample Appendix C)
Certificate of Insurance and applicable endorsements (Appendix C)

REQUEST FOR PROPOSALS HR20-0303F
Deferred Compensation 457(b) Plan Administrative Services

SECTION 1 – PROJECT OVERVIEW / CALENDAR / INQUIRIES

1.01 PROJECT OVERVIEW AND PURPOSE

- 1.01.1 The City of Tacoma (City) is soliciting proposals to establish one or possibly two contracts with qualified vendors to provide record-keeping, participant communication, participant education and participant counseling services for the City's 457(b) Deferred Compensation Plan.

The primary goals for this Request for Proposal (hereinafter "RFP") process include the following:

- Enhancing participant retirement outcomes
- Improving participant education and communication services
- Providing robust on-line transaction and information capabilities
- Providing support for as many administrative functions as deemed appropriate
- Reducing participant and Plan expenses
- Providing for an orderly and timely transition of assets and services if necessary
- Continuing the formal record keeper/Committee working relationship

- 1.01.2 The preference is to award a single contract. However, the City reserves the right to split the award per the terms described, or make no award, if it is in the City's best interest.

- 1.01.3 Submittals must comply with these specifications. Failure to comply with all provisions of the RFP may result in disqualification.

- 1.01.4 This solicitation may be found at www.tacomapurchasing.org: Navigate to *Contracting Opportunities / Services Solicitations*, scroll to this RFP and click the word *Specification*.

1.02 CALENDAR OF RFP EVENTS

- 1.02.1 The anticipated schedule of events concerning this RFP, which are tentative and may be altered at the City's sole discretion, is as follows:

Questions due, 3:00 p.m., Pacific Time	November 13, 2020
Questions and answers posted on or about	November 20, 2020
Submittal deadline, 11:00 a.m., Pacific Time	December 8, 2020
Interviews/presentations/demonstrations, if conducted	January 25-29 2021
RFP Award	February 2021
Governing Body Approval	March 2021
Estimated Implementation	July 2021

1.03 QUESTIONS AND REQUESTS FOR CLARIFICATION

- 1.03.1 A pre-submittal conference will not be held; however, questions and requests for clarification of these Specifications may be submitted in writing by **3:00 p.m., Pacific November 13, 2020**, to Tad Carlson, Purchasing Division, via email to tcarlson@cityoftacoma.org. Questions received after this date and time may not be answered.
- A. Please indicate the RFP specification number and title in the email subject line.
 - B. Present your questions in MS Word format or directly in the body of the email message. Where applicable, cross-reference the specific section of the RFP. Please avoid using tables to format the questions, as they will be copied into a Word template.
 - 1. Please keep the formatting simple (e.g., Arial 11, flush left) by avoiding multiple fonts, multiple formats, and the use of tables, styles, headers, footers, etc.
 - C. Questions will not be accepted by telephone or fax.
 - D. Questions marked confidential will not be answered.
 - E. Questions will be held until the deadline and answered collectively.
 - F. Individual answers will not be provided directly to Respondents.
 - G. The City reserves the discretion to group similar questions to provide a single answer or not to respond when the requested information is confidential.
 - H. The City will not be responsible for unsuccessful submittal of questions.
- 1.03.2 Written answers to questions will be posted with the Specification on or about **November 20, 2020** on the Purchasing website at www.TacomaPurchasing.org: Navigate to *Contracting Opportunities > Services Solicitations*, and scroll to this RFP. A notice will not be posted with the Specification if no questions are received.
- 1.03.3 To receive notice of the posted answers, you must register as a “[bid holder](#)” for this solicitation. Notices will not be sent if no questions are received.
- 1.03.4 The answers are not typically considered an addendum. (See Section 1.08)

1.04 ACCEPTANCE AND RESPONSIVENESS

- 1.04.1 Respondents agree to provide a minimum of 120 days from the submittal deadline for acceptance by the City.
- 1.04.2 Submittals will be reviewed by the City to determine compliance with the requirements and instructions specified in this RFP. Respondent is specifically notified that failure to comply with any part of this RFP may result in rejection of the submittal as non-responsive. The City reserves the right, in its sole discretion, to waive irregularities deemed immaterial.

1.05 CONTRACT TERM

- 1.05.1 The Contract will be for up to a seven-year period with the option to renew the Contract for an additional 3-year term. Length and number of extensions will be decided concurrent with final decision on initial term but will not exceed 10 years in total.

1.06 PRICING

- 1.06.1 Pricing under any Contract resulting from this RFP shall be firm for the Contract period unless an adjustment is mandated by statute.
- 1.06.2 Surcharges of any type will not be paid.
- 1.06.3 The City reserves the right to negotiate all costs/prices submitted.
- 1.06.4 The City may award to other than the highest ranked Respondent if proposed fees are substantially uncompetitive.

1.07 RESPONDENTS ORIGINATING OUTSIDE THE UNITED STATES

- 1.07.1 Respondents providing submittals from outside the legal jurisdiction of the United States of America will be subject to Tacoma's City Attorney's Office (CAO) opinion as to the viability of possible litigation pursuant to a contract resulting from this Specification. If it is the opinion of the CAO that any possible litigation would be beyond reasonable cost and/or enforcement, the submittal may be excluded from evaluation.

1.08 REVISIONS TO RFP – ADDENDA

- 1.08.1 In the event it becomes necessary to revise any part of this RFP, addenda will be issued to [registered bid holders/planholders](#) and posted on the Purchasing website at www.TacomaPurchasing.org: Navigate to *Contracting Opportunities / Services Solicitations*, and scroll to this RFP. Failure to acknowledge addenda may result in a submittal being deemed non-responsive.
- 1.08.2 Answers in response to RFP inquiries are not typically provided as an addendum. (See Section 1.03)

1.09 CITY CONTACT INFORMATION

- 1.09.1 All communications concerning this solicitation shall be directed via email to the Purchasing contact: tcarlson@cityoftacoma.org
- 1.09.2 Any Respondent seeking to obtain information, clarification, or interpretations from a City official or City employee other than the Purchasing contact or other Purchasing staff member, or any external firm or agency, is advised that such material be used at Respondent's own risk. The City will not be bound by any such information, clarification, or interpretation.

- 1.09.3 Contact by a Respondent regarding this solicitation with a City employee other than the Purchasing contact or other Purchasing staff member, or an individual approved in writing by a Purchasing staff member, or contact with a firm hired by the City to provide consulting services regarding this RFP, may be grounds for rejection of Respondent's submittal.
- 1.09.4 NOTE: City employees and persons or firms representing the City will not contact you or seek to advise you on matters pertaining to this RFP, your submittal, or the City's expectations regarding the proposed work other than as stated in the Request for Proposals documents.

SECTION 2 – PROJECT SCOPE / TECHNICAL PROVISIONS

2.01 BACKGROUND AND PLAN OVERVIEW

City of Tacoma 457 Plan Overview

The Plan is overseen by the City of Tacoma Deferred Compensation Plan Committee, which consists of five management team members and a representative from the City's Joint Labor Committee. It is presently administered through two providers, ICMA-RC and Nationwide Retirement Services (hereinafter "Nationwide"). Per a collective bargaining agreement, Nationwide provides 457(b) Plan services only for those City of Tacoma Fire Fighters who choose to utilize the Nationwide program; individual Fire Fighters may also choose to utilize the ICMA-RC program. All other City of Tacoma employees may only utilize the all-City, ICMA-RC program. As of 6/30/20, the ICMA-RC program had over 3,130 participants and \$423 million in assets and the Nationwide program had over 386 participants and \$79 million in assets.

Proposers who wish to respond to this RFP *must* do so in each of the following ways:

1. Respond to provide services only for the all-City program presently with ICMA-RC
2. Respond to provide services for only the Fire Fighter's program presently with Nationwide
3. Respond to provide services for both component programs

The City of Tacoma has approximately 3,600 benefit eligible employees. Employees are paid bi-weekly through one centralized City payroll system for a total of 26 pay periods. City employees participate in either the Tacoma Employee's Retirements System (TERS), the Washington State LEOFF I and II retirement plans (Police and Fire personnel only), or the federal Railroad retirement system. The City also participates in Social Security, though certain Rail, Police, Fire employees do not.

There are seven (7) separate locations/buildings located in or near the City of Tacoma, where regularly scheduled monthly or quarterly employee meeting times are scheduled. In terms of employee outreach, it would be expected that a record keeper representative visit each of these worksites as part of their initial and ongoing participant education and enrollment efforts. There are approximately 60 other locations located in Western Washington where occasional employee meetings by appointment may be necessary. Most, but not all locations, are in Pierce County, WA. It is understood that until the Covid-19 Pandemic abates, all such meetings and counseling sessions must be conducted remotely/virtually.

Primary Locations	Approximate # Employees
Tacoma Public Utilities	1100
Tacoma Municipal Building	500
Tacoma Police Headquarters	440
Environmental Services, Central Treatment Plant	265
Solid Waste Management	200
Street Operations	110
Loveland Substation	26

Fee Administration

The City has eliminated most Plan investment options that generate revenue sharing, and participants instead pay an explicit, percentage of assets “Admin Fee” to cover all plan administration costs. Any revenue sharing that is paid to the providers is returned to participants who invest in the revenue generating funds on a pro-rata basis. The Admin Fee is collected by the providers and a portion is retained by them to pay their contractually defined fees, and the remainder is retained in “administrative allowance” accounts that are accessed as needed by the City to pay for other Plan oversight and administration expenses. The City intends to retain this fee model going forward.

Employer Contributions

Most employees participate in the Plan only through voluntary contributions from compensation, but some personnel also receive employer contributions. These are:

- Professional Public Safety Managers Association: \$217 per pay period employer contribution
- Tacoma Fire Fighters Union, Local 31: \$192 per pay period employer match
- Tacoma Police Management Association, Local 26: \$217 per pay period employer match
- Tacoma Police Union, Local 6: \$192 per pay period employer match
- United Transportation Union, Yardmasters: 3 percent of base salary per pay period employer match
- SMART-TD (Sheet Metal, Air, Rail & Transportation-Transportation Division) Conductors: 3 percent of base salary per pay period employer match
- Tacoma Rail Non-represented, Appointive employees: 3 percent of base salary per pay period employer match

Roth Contributions

Both programs offer the option of contributing to the Plan post-tax (“Roth” contributions) as well as pre-tax.

Plan Loans

Both programs offer participant loans. Participants may have only one loan outstanding at a time. Loan data as of 6/30/2020:

ICMA-RC Program: 287 Loans with \$2,980,287 in assets

Nationwide Program: 70 Loans with \$1,310,175 in assets

Plan Contribution and Participation Data Tables

Presented below are two plan data tables, one for each provider program. The information provided is as-of 6/30/2020. Note that "Active Accounts" means currently contributing. Both City contributions and participant contributions are included in the figures below under "Total Deferrals."

ICMA-RC PROGRAM ASSETS, CONTRIBUTION AND PARTICIPANT HISTORY				
PLAN 302010	2020 YTD as of 6/30	2019	2018	2017
a. Total Assets (\$)	\$420,134,530	\$430,445,890	\$358,131,196	\$374,513,645
b. Total Participant Accounts (#)	3128	3090	2957	2863
c. Total Active (currently contributing) Accounts (#)	1,971	2,062	1,960	1,922
d. Total Participant Deferrals (\$)	\$9,714,793	\$18,931,682	\$17,098,327	\$11,913,229
e. Total Employer Contributions (\$)	Not tracked	Not tracked	Not tracked	Not Tracked
f. Total Roll-Ins (#)	43	64	69	68
g. Total Roll-Ins (\$)	\$1,268,915	\$5,108,630	\$2,317,489	\$1,796,270
h. Total Contributions (\$) (d+e+g)	\$10,983,708	\$24,040,312	\$19,415,816	\$13,709,499
i. Total Accounts in Systematic Distribution (#)	150	235	207	195
j. Total Systematic Distributions (\$)	\$1,153,688	\$2,239,734	\$2,139,939	\$1,382,424
k. Total Accounts w/ Lump Sum Distributions (#)	183	413	405	292
l. Total Lump Sum Distributions (\$)	\$3,257,613	\$6,563,550	\$6,464,123	\$3,540,377
m. Total Transfers to Proprietary IRAs (\$)	0	0	0	0
n. Total Roll-Outs (#)	30	71	58	47
o. Total Roll-Outs (\$)	\$6,751,475	\$12,013,636	\$8,804,426	\$7,211,386
p. Total Hardship Withdrawals Requested (#)	Not tracked	Not tracked	Not tracked	Not tracked
q. Total Hardship Withdrawals Requested (\$)	Not tracked	Not tracked	Not tracked	Not tracked
r. Total Hardship Withdrawals Approved (#)	1	0	2	2
s. Total Hardship Withdrawals Approved (\$)	\$6,344	0	\$23,890	\$7,160
t. Total Distributions (#) (i+k+o+s)	364	484	672	536
u. Total Distributions (\$) (j+l+p+t)	\$10,015,432	\$18,577,186	\$15,292,439	\$10,758,923
v. Total NET Cash Flow (\$) (h-v)	\$968,276	\$5,463,126	\$4,123,377	\$2,950,576

NATIONWIDE PROGRAM ASSETS, CONTRIBUTION AND PARTICIPANT HISTORY				
	2020 YTD as of 6/30	2019	2018	2017
a. Total Assets (\$)	\$77,516,955	\$78,171,381	\$63,303,233	\$66,191,352
b. Total Participant Accounts (#)	386	367	351	334
c. Total Active (currently contributing) Accounts (#)	306	290	267	268
d. Total Participant Deferrals (\$)	\$2,295,394	\$4,277,309	\$3,839,703	\$3,578,041
e. Total Employer Contributions (\$)	\$0	\$0	\$0	\$0
f. Total Roll-Ins (#)	2	2	6	5
g. Total Roll-Ins (\$)	\$36,780	\$5,705	\$196,863	\$40,320
h. Total Contributions (\$) (d+e+g)	\$2,332,174	\$4,283,014	\$4,036,566	\$3,618,361
i. Total Accounts in Systematic Distribution (#)	9	9	9	7
j. Total Systematic Distributions (\$)	\$86,049	\$224,541	\$271,336	\$456,912
k. Total Accounts w/ Lump Sum Distributions (#)	11	17	22	11
l. Total Lump Sum Distributions (\$)	\$386,843	\$436,638	\$979,427	\$458,976
m. Total Transfers to Proprietary IRAs (\$)	\$0	\$0	\$0	\$0
n. Total Roll-Outs (#)	5	9	11	12
o. Total Roll-Outs (\$)	\$825,918	\$1,699,537	\$2,247,353	\$1,985,812
p. Total Hardship Withdrawals Requested (#)	0	4	0	0
q. Total Hardship Withdrawals Requested (\$)	\$0	\$55,712	\$0	\$0
r. Total Hardship Withdrawals Approved (#)	0	2	0	0
s. Total Hardship Withdrawals Approved (\$)	\$0	\$38,277	\$0	\$0
t. Total Distributions (#) (i+k+o+s)	26	37	42	30
u. Total Distributions (\$) (j+l+p+t)	\$1,298,809	\$2,398,994	\$3,498,116	\$2,901,700
v. Total NET Cash Flow (\$) (h-u)	\$1,033,365	\$1,884,020	\$538,450	\$716,661

Plan Investments

The Plan presently offers an array of 31 investment options (including 12 target date funds) that are selected and monitored by the City of Tacoma Deferred Compensation Plan Committee. All investment options except the Capital Preservation options are identical in the two programs. It is the intention of the Committee that this investment menu will not change in the event of the implementation of a new Plan record keeper(s), with the possible exception of within the capital preservation asset class. The present allocation of assets across Plan investment options is provided in Appendix B.

Self-Directed Brokerage

Both programs offer a Self-Directed Brokerage Option (SDBO). Data as of 6/30/2020:

ICMA-RC Program: 72 accounts with \$7,758,745 in assets

Nationwide Program: 4 accounts with \$1,310,724 in assets

Present Capital Preservation Investment Options

The ICMA-RC program offers the ICMA-RC Plus Fund, which is a comingled investment trust product. The fund has no guaranteed floor rate. The fund's crediting rate history is below:

6/30/2020 to-date Net Crediting Rate	2.30%.
2019 Net Credited Rate	2.51%
2018 Net Credited Rate	2.50%.

The Nationwide program offer the Nationwide Fixed Account, which is an insurance company general account product. This product's crediting rate history is below:

6/30/2020 to-date Net Crediting Rate	1.91%
2019 Net Credited Rate	2.03%
2018 Net Credited Rate	2.15%
Guaranteed for how long?	Quarterly
Guaranteed Contract Floor Rate	0.00%

Withdrawal or Early Termination Provisions

The ICMA-RC Plus Fund is subject to a 12 month "Put" provision for Plan-level transfers. ICMA-RC was given Put Period Notification on October 15, 2020.

The Nationwide Fixed Account assets may be transferred at any time without penalty or adjustment, at the direction of the City.

Participant Education and Counseling

Nationwide and ICMA-RC both provide on-site counseling and education. (Both have switched to delivery of this service through virtual meetings conducted via services like Zoom and Microsoft Teams during the 2020 pandemic). Presented below are tables, which show the service delivery history of the two providers:

NATIONWIDE ON-SITE SERVICE DELIVERY	2017	2018	2019	YTD 6/30/20
Days On-Site: Counseling/Education Representative	18	19	18	10
Individual Participant Consultations	96	92	108	31
Group Education Meetings	5	5	5	4
Completed Online Investment Advice Sessions	NA	NA	NA	NA
New Enrollments in 457(b) Plan	24	24	22	30

ICMA-RC ON-SITE SERVICE DELIVERY HISTORY	2017	2018	2019	YTD 6/30/20
Days On-Site: Counseling/Education Representative	80	72	76	19
Individual Participant Consultations	1,280	1,342	1,277	656
Group Education Meetings	25	25	22	11
Days On-Site: Certified Financial Planner	5	9	9	3
Individual Consultations provided by CFP	9	54	57	33
Completed Online Investment Advice Sessions	NA	65	250	138
New Enrollments in 457(b) Plan	128	94	133	38

The Committee is very interested in maintaining a high level of responsiveness to participant needs and a complete suite of participant education and counseling services.

Investment Advice and Managed Accounts

On-line Investment Advice is provided by ICMA-RC, with the on-site representative assisting participants with its utilization. Nationwide does not presently offer On-line Advice. The City has elected to not include Managed Account services in the Plan.

Plan Document

The City of Tacoma maintains its own 457 Plan document, which is provided as an attachment to this RFP (Appendix B). The Plan Document is presently in the process of being amended to include features of the CARES Act and the SECURE Act, changes which were approved by the Committee earlier in 2020.

2.02 MINIMUM REQUIREMENTS

The City requires each Proposing Firm responding to this RFP to certify that it meets or agrees to the following Minimum Requirements. Responses can be submitted, in the Questionnaire (Appendix A).

1. The Proposing Firm must have a minimum of ten (10) years of experience, administering governmental Section 457 deferred compensation plans, and must currently provide sole-provider administration to a minimum of five (5) Section 457 deferred compensation retirement plans with an asset size of at least \$250 million in each.

2. Any contract must stipulate that there will be no front-end charges and/or no back-end charges. In addition, there will be no restrictions or penalties associated with any Plan- or participant-initiated transfers or withdrawals (including contract termination), with the exception of capital preservation (stable value and/or Fixed or General Account) equity wash and/or put provisions, and/or mutual fund specific short-term trading fees.
3. The Proposing Firm must accurately and fully disclose all fund expense and revenue sharing arrangements associated with all funds being offered within the Plan(s). Fixed or General Account products will not be excluded from this requirement. Proposing Firms offering such products must provide an accurate assessment of product expenses and revenue remitted to the Proposing Firm.
4. The Proposing Firm must accurately and fully disclose all expenses and revenue associated with any service made available under the Plan. This includes services such as managed accounts, investment advice, financial planning and/or self-directed brokerage accounts.
5. The Proposing Firm must agree, under contract, not to sell and/or promote products not directly affiliated with the Plan unless given specific, written authorization by the Committee to do so.
6. Upon award of the contract, the selected Proposing Firm must be duly qualified to do business in the State of Washington.
7. The Proposing Firm must be able to transition and administer existing Plan loans.
8. The Proposing Firm must be willing to have representatives attend Committee meetings in person as required (no more than quarterly).
9. The Proposing Firm must have knowledge of and comply with all applicable County, State of Washington and federal regulations regarding governmental retirement plans and investment options. All applicable laws of the City and the State of Washington, whether substantive or procedural, shall apply to this contract, and all statutory, charter, and ordinance provisions that are applicable to City contracts shall be followed with respect to this contract.

Any questions or concerns related to Minimum Qualifications should be submitted following the instructions outlined in the Questions and Requests for Clarification Section above. Proposing Firms must clearly indicate any requests for additions, modifications or deletions as part of this process. The City will respond to such submittals but does not guarantee any waiving of these minimum requirements.

2.03 SCOPE OF WORK

2.03.1 The Scope of Work Consists of:

- Providing record-keeping services for a governmental section 457(b) deferred compensation plan, to include but not limited to:
 - Plan, trust and investment and participant accounting
 - Plan and Participant statement preparation and delivery
 - Plan loan administration
- Delivery of investment products for Plan use as selected by the Committee
- Participant communications and education via paper, internet and telephone
- On-site Participant education and counseling

2.04 INSURANCE

- 2.04.1 City of Tacoma standard insurance requirements apply (Appendix C).
- 2.04.2 Respondents are encouraged to furnish requirements to their surety for review prior to providing a submittal.

SECTION 3 – SUBMITTAL FORMAT, CONTENT, EVALUATION, AWARD

3.01 FORMAT AND PRESENTATION

- 3.01.1 Submittals should be clear, succinct, and should comply with these specifications and the instructions found in the questionnaire.
- 3.01.2 The inclusion of standard company brochures or similar marketing materials is allowed but will not be evaluated and may not be used in lieu of providing responses to the questionnaire.
- 3.01.3 A full and complete response to each of the “content to be submitted” items (Section 3.02) is expected in a single location; do not use hyperlinks to other documents or cross-reference to another section of your submittal document in lieu of a full response.

3.01.4 Required format:

Page size:	8.5” x 11” (no pages larger or smaller than this size)
Margins:	0.75” or greater
Font and size:	Arial 10 (or equivalent) or larger
Numbered pages:	Please number all pages in your submittal documents

3.02 CONTENT TO BE SUBMITTED

Provide complete and detailed responses to all items using the numbering format presented below. Organization of the submittal should follow the sequence of contents below so that essential information can be located easily during evaluation.

Submittals that are incomplete or conditioned in any way, contain alternatives or items not called for in this RFP, or are not in conformity with law, may be rejected. The City will not accept any submittal containing a substantial deviation from the requirements outlined in this RFP.

3.02.1 Title Page

A. The Title Page is to be a single page. Include the following on the Title Page:

- 1. RFP number and title
- 2. Firm name, address, website address, telephone number, and email address
- 3. Name, title, email address, and telephone number of the person to contact with questions or issues regarding your proposal/submittal.

4. NOTE: Notifications regarding award will be sent to the email address provided on the Signature Page.

3.02.2 Table of Contents

- A. Identify information included in your submittal by section as described in Section 3.02.

3.02.3 Confidential or Proprietary Information

- A. Information that is confidential or proprietary must be clearly marked on each affected page.
- B. Further, an index must be provided indicating the affected page number(s) and location(s) of all such identified material. Information not included in said index will not be reviewed for confidentiality or as proprietary before release. (Appendix D – See item 1.06 of the Standard Terms and Conditions)
- C. **Marking the entire submittal as “confidential” or “proprietary” or “trade secret” is not acceptable and is grounds to reject such submittal.**

3.02.4 City of Tacoma Forms (Appendix A)

- A. Do not alter these forms in any way or add them to letterhead paper or present cover letters or blank pages ahead of them.
 1. Signature Page - The Signature Page must be signed by a person authorized to make proposals and enter into contract negotiations on behalf of your agency. This individual must be at least 18 years of age.

3.02.5 Executive Summary

- A. Introduction and overview of your submittal/proposal.
- B. A description and explanation of your underlying philosophy in fulfilling this scope of work.
- C. A short history and description of your firm, including organizational structure, areas/regions served, number of employees, number of years in business under current and previous names, including DBAs (doing business as), etc.
- D. Background information of the parent company, if any.
- E. Presence, if any, in the Pacific Northwest region.
- F. Location of the office from which this work will be performed.

- G. Documentation of corporate status and business licenses.
- H. Name, title, email address, and telephone number of the person authorized to execute a contract on behalf of Respondent.
- I. Name, title, email address, and telephone number of the person who will be managing this Contract on behalf of Respondent.
- J. Disclose any intention to utilize subcontractors to perform this work, and if so, provide similar information as listed above for identified subcontractors. This information is not a consideration in the evaluation. (Appendix D – See item 1.41 of the Standard Terms and Conditions)

3.02.6 Completed Questionnaire (Appendix A)

For convenience of completion, the questionnaire has been attached as a MS Word document. After completion, please submit completed questionnaire with submittal, not as a separate file.

3.02.7 Exceptions

- A. Detail exceptions to RFP content by section number and elaborate on proposed resolution(s) to any technical, functional, cost, or other issues. If there are deviations from the published Scope of Work (See Section 2), clearly identify or otherwise highlight the substitution.
- B. Detail any exceptions to the City of Tacoma Contract (Appendix C) and exceptions to the City of Tacoma Standard Terms and Conditions (Appendix D) – See item 1.21 D).
- C. The City reserves the right to accept, reject, and/or negotiate any proposed change(s) to the scope, terms and conditions, or other provisions of this RFP.

3.03 EVALUATION CRITERIA

- 3.03.1 A Selection Advisory Committee (SAC) will review and evaluate the submittals. Additionally, the SAC may conduct interviews of, or request presentations-demonstrations by, selected or short-listed Respondents before final selection is made. (See Section 3.04)
- 3.03.2 The SAC may use references to clarify and verify information in submittals and interviews, if conducted, which may affect the rating. The City reserves the right to contact references other than those included in the submittal.
- 3.03.3 The City may award to other than the highest ranked submittal or Respondent if the price submitted is uncompetitive. Also, note that the inclusion of fees and charges as

an evaluation factor or a request for hourly rates does not require the City to select the Respondent submitting the lowest cost.

- 3.03.4 Respondents may be asked to provide their most recent audited financial statements demonstrating Respondent's financial ability to meet the requirements of any Contract that may result from this RFP.
- 3.03.5 An incomplete response or no response may result in a score of zero for that criterion.
- 3.03.6 A serious deficiency in any one criterion may be grounds for rejection.
- 3.03.7 The final selection will be that submittal or respondent which, after review, interviews/presentations/demonstrations, reference checks, and best and final offers (BAFO), if requested, in the sole judgment of the City, best meets the requirements set forth in this RFP.
- 3.03.8 Submittals will be evaluated using the following criteria:

CATEGORY	MAXIMUM POINTS
Firm Strength, Experience, and Qualifications	100
Record Keeping, Data Security, and Custody	250
Participant Services	200
Plan Sponsor Services	75
Investments and Investment Flexibility	100
Transition	75
Fees	200
Total	1000

3.04 INTERVIEWS / ORAL PRESENTATIONS / DEMONSTRATIONS

- 3.04.1 An invitation to interview, present, or provide a demonstration, by conference call or video conference (Zoom or similar application), may be extended to selected or short-listed Respondents based on Selection Advisory Committee review of the written submittals.
- 3.04.2 If held, it is anticipated that interviews/presentations/demonstrations would be approximately one hour in length and be evaluated in a manner similar to the submittal. Instructions will be provided to selected respondents.
- 3.04.3 All information, whether oral or written or otherwise, provided by Respondent in interviews/presentations/demonstrations may be incorporated into any resulting contract.
- 3.04.4 Interviews/presentations/demonstrations may be filmed and recorded, and incorporated into any resulting contract.

- 3.04.5 The SAC reserves the right to adjust scoring based on additional information and/or clarifications obtained during, or resulting from, interviews, presentations, demonstrations, or references. The SAC may determine scoring criteria for the interviews following evaluation of written submittals, including the option to rank (1, 2, 3, etc.) rather than score.
- 3.04.6 The City reserves all rights to begin contract negotiations without conducting interviews, presentations, or demonstrations.
- 3.04.7 Respondents must be available for interviews/presentations/demonstrations within five business days' notice.

3.05 AWARD

- 3.05.1 After a Respondent(s) is selected by the SAC and prior to award, all Respondents will be notified in writing by the Purchasing Division.
- 3.05.2 Once a finalist (or finalists) has been selected by the Selection Advisory Committee and approved by the Deferred Compensation Committee, which may be subject to collective bargaining, contract negotiations will begin. If a Contract is successfully negotiated, it will, if required, be submitted for final approval by the City Council. If an agreement cannot be reached, negotiations will be terminated and negotiations will be conducted with the next highest scored Respondent and so on, until an agreement is reached, or until the City exercises its right to cancel the solicitation.

APPENDIX A

Signature Page

Questionnaire

SIGNATURE PAGE

CITY OF TACOMA CITYWIDE

All submittals must be in ink or typewritten, executed by a duly authorized officer or representative of the bidding/proposing entity, and received and time stamped as directed in the **Request for Proposals near the beginning of the specification**. If the bidder/proposer is a subsidiary or doing business on behalf of another entity, so state, and provide the firm name under which business is hereby transacted.

REQUEST FOR PROPOSALS SPECIFICATION NO. HR20-0303F Deferred Compensation 457(b) Plan Administration Services

The undersigned bidder/proposer hereby agrees to execute the proposed contract and furnish all materials, labor, tools, equipment and all other facilities and services in accordance with these specifications.

The bidder/proposer agrees, by submitting a bid/proposal under these specifications, that in the event any litigation should arise concerning the submission of bids/proposals or the award of contract under this specification, Request for Bids, Request for Proposals or Request for Qualifications, the venue of such action or litigation shall be in the Superior Court of the State of Washington, in and for the County of Pierce.

Non-Collusion Declaration

The undersigned bidder/proposer hereby certifies under penalty of perjury that this bid/proposal is genuine and not a sham or collusive bid/proposal, or made in the interests or on behalf of any person or entity not herein named; and that said bidder/proposer has not directly or indirectly induced or solicited any contractor or supplier on the above work to put in a sham bid/proposal or any person or entity to refrain from submitting a bid/proposal; and that said bidder/proposer has not, in any manner, sought by collusion to secure to itself an advantage over any other contractor(s) or person(s).

Bidder/Proposer's Registered Name

Signature of Person Authorized to Enter Date
into Contracts for Bidder/Proposer

Address

Printed Name and Title

City, State, Zip

(Area Code) Telephone Number / Fax Number

E-Mail Address

State Business License Number
in WA, also known as UBI (Unified Business Identifier) Number

E.I.No. / Federal Social Security Number Used on Quarterly
Federal Tax Return, U.S. Treasury Dept. Form 941

State Contractor's License Number
(See Ch. 18.27, R.C.W.)

Addendum acknowledgement #1 _____ #2 _____ #3 _____ #4 _____ #5 _____

THIS PAGE MUST BE SIGNED AND RETURNED WITH SUBMITTAL.

CITY OF TACOMA

Request for Proposals for Deferred Compensation 457(b) Plan Administrative Services

Questionnaire

QUESTIONNAIRE INSTRUCTIONS

Responses are to be kept clear and concise. Questions that are marked with a (Yes/No) response require an explanation only if requested. If no explanation is requested, these questions will be recorded as a Yes/No response, and no consideration will be given to an explanation. For questions that do request an explanation, please be **succinct** in your response and limit any description to the primary and most important aspects related to the specific question/request.

In some cases, the questions include a table that requires completion. Proposing Firms may create their own table that replicates the table in the RFP document, though it should not take up any more space in the RFP response than the sample table. Reprint each question/request such that it precedes your written response. For the items that request responses to multiple questions, separately space or separately bullet the responses to each question. There are also questions in the Questionnaire that require a description and/or samples to be provided in a separate Proposing Firm Exhibit Folder. **Please pay particular attention to these questions and provide the requested information in a separate Exhibit Folder accordingly.**

All responses should assume all assets and all participant accounts will be serviced by the Proposing Firm (taking into account any liquidity restrictions noted in the Early Withdrawal or Termination Provisions section.)

A. Firm Strength, Experience and Qualifications, and Minimum Requirements

A1. Provide a single main contact name, title, address, phone number, and email address for all matters related to this RFP.

A2. Complete the following chart:

Year proposing Firm was founded:	
Offering services to 457 government plans since:	
Offering services to defined contribution plans since:	

A3. Provide a one-page diagram of the ownership structure of the Proposing Firm and its subsidiaries. Include this in the Exhibit Folder and label it Exhibit 1.

A4. Complete the following chart showing total expenditures for the record keeping business in both dollars and as a percentage of total Firm expenditures.

Year	Amount of investment in record keeping business (\$)	Amount of investment in record keeping business (%)
2019		
2018		
2017		

A5. As of the RFP issue date, were there any discussions or pending agreements to purchase another organization, to sell or merge any part of your organization, or to enter into a major strategic partnership with another firm? (Yes/No) If yes, explain.

	Yes/No	Description
Purchase:		
Merge:		
Sell:		
Strategic Partnership:		

- A6. Has your organization ever filed for bankruptcy or otherwise become insolvent? (Yes/No) If yes, explain and provide applicable date(s).
- A7. If your organization or parent company has a credit rating, provide your ratings from Standard & Poor's, Moody's, and Fitch. For insurance companies, include the financial strength rating, as well as your counterparty credit rating. If rated by some other service, provide the organization name and rating.

Rating Organization	Current Financial Strength Rating
Fitch:	
Moody's:	
S&P:	
Other (Specify organization name):	

- A8. Provide a copy of financial statements certified by management and/or audited by an independent Certified Public Accountant. The statement should include a balance sheet, income statement, and cash flow statement with all footnotes and disclosures in accordance with generally accepted accounting principles for the last three (3) full fiscal years of operations. Sole proprietorships may substitute a personal financial statement with personal tax documents filed with the federal government for the last three (3) years. The Proposing Firm must be prepared to substantiate all information shown. Financial statements not meeting this requirement may be deemed unresponsive or scored lower in the evaluation of the proposal. If a Proposing Firm intends to operate the business as a sole proprietorship, the Proposing Firm must submit a personal financial statement not older than ninety (90) calendar days and three (3) years of the most recent personal tax returns. This must be submitted with the rest of the proposal. Include these statements in the Exhibit Folder and label it Exhibit 2.
- A9. State whether the Proposing Firm is currently involved in any litigation, threatened litigation, investigation, reorganization, receivership, filing, strike, audit, corporate acquisition, unpaid judgments or other action that could have an adverse impact on your ability to provide the required needs as outlined in this RFP. (Yes/No) If yes, please describe the nature of the item and its potential impact on the Firm's operations.
- A10. Has your parent company, organization or any of your local service representatives been cited, reprimanded or penalized by any regulatory agency within the past ten (10) years? (Yes/No) If yes, briefly describe.
- A11. Has any subcontractor that would be part of the service delivery to the Plan Sponsor been cited, reprimanded or penalized by any regulatory agency within the past ten (10) years? (Yes/No) If yes, briefly describe.
- A12. Complete the following charts for the applicable calendar years:

Requested Data as of 6/30/2020	Answer (\$)
Total assets invested in the Firm's proprietary investment products by DC plans for which you provide recordkeeping:	
Total assets invested in non-proprietary investment products within DC plans for which you record keep:	
Ratio of proprietary funds to non-proprietary funds in DC plans for which you record keep (response should divide the numbers from the previous two rows):	
Total assets invested in the Firm's Managed Account Program:	
Average participant usage rate for those plans offering Managed Accounts:	

Requested Data	6/30/2020	2019	2018	2017	2016
<u>Total Assets:</u> Defined contribution (DC) retirement plans record kept (\$):					
<u>Total Assets:</u> Governmental 457 retirement plans record kept (\$):					
<u>Total Participants:</u> DC retirement plans record kept (#):					
<u>Total Participants:</u> Governmental 457 retirement plans record kept (#):					
Average participant deferral amounts to DC Plan (%):					
Average participant deferral amounts to 457 Plan (%):					
Total number of Firm employees (#):					
Total number of Firm employees working on DC plans (#):					
Total number of Firm employees exclusively dedicated to serving governmental plans (#):					
Total Firm gross revenues (\$):					

A13. Complete the following tables as they relate to your current **governmental 457** clientele:

Data as of 6/30/2020	Total # of Plans	Total \$ Plan Assets	# of Sole-Provider Plans
Under 500 participants:			
From 501 to 2,500 participants:			
From 2,501 to 5,000 participants:			
From 5,001 to 10,000 participants:			
Over 10,000 participants:			
TOTAL			

Data as of 6/30/2020	Total # of Plans	Total \$ Plan Assets	# of Sole Provider Plans
Under \$50 million:			
From \$50 to \$100 million:			
From \$101 million to \$300 million:			
From \$301 million to \$800 million:			
Over \$800 million:			
TOTAL			

A14. Complete the following table regarding the number of defined contribution retirement plans (irrespective of entity type) you have **won/lost in the last five (5) years**. This response should include cases in which you elected not to re-bid and should not include cases in which you were retained with no meaningful growth in assets upon retention.

Data as of 6/30/2020	# Won	# Lost
Under \$100 million:		
From \$101 million to \$300 million:		
From \$301 million to \$800 million:		
Over \$800 million:		
TOTAL		

- A15. Provide the specific names and the contract start/termination date for all clients or ex-clients with assets greater than \$100 million and less than \$500 million referenced in the A15 table above. These clients will not be contacted unless provided as a reference in this RFP:

Specific Client Name (Wins)	Contract Start Date

Specific Client Name (Losses)	Contract Termination Date

- A16. Does your organization have any affiliations with, or endorsements from, any public or private organizations and/or industry groups, etc.? (Yes/No) If yes, describe the relationship, and include a description of whether or not it is a monetary relationship.

Minimum Requirements:

In order to pass minimum requirements and move to Selection Advisory Committee scoring, a proposing firm must answer Yes to the following basic qualifications. The City reserves the right to reject any proposal, which does not meet these minimum requirements.

- A17. The Proposing Firm must have a minimum of ten (10) years of experience administering governmental Section 457 deferred compensation plans and must currently provide sole-provider administration to a minimum of five (5) Section 457 deferred compensation retirement plans with an asset size of at least \$250 million in each. Proposers must submit a list of the five clients that meet this size minimum and the inception date for when their services to this client began.

Does your firm meet this requirement? ____ Yes ____ No

- A18. Is your firm duly qualified and licensed to do business in the State of Washington? (Qualified firms **must** submit appropriate documentation) ____ Yes ____ No

- A19. Any contract must stipulate that there will be no front-end charges and/or no back-end charges. In addition, there will be no restrictions or penalties associated with any Plan- or participant-initiated transfers or withdrawals (including contract termination), with the exception of capital preservation (stable value and/or Fixed or General Account) equity wash and/or put provisions, and/or mutual fund specific short-term trading fees.
Do you agree to this term? ____ Yes ____ No
- A20. The Proposing Firm must accurately and fully disclose all fund expense and revenue sharing arrangements associated with all funds being offered within the Plan(s)..
Do you agree to this term? ____ Yes ____ No
- A21. The Proposing Firm must accurately and fully disclose all expenses and revenue associated with any service made available under the Plan. This includes services such as managed accounts, investment advice, financial planning and/or self-directed brokerage accounts.
Do you agree to this term? ____ Yes ____ No
- A22. The Proposing Firm must agree, under contract, not to sell and/or promote products not directly affiliated with the Plan unless given specific, written authorization by the Committee to do so.
Do you agree to this term? ____ Yes ____ No
- A23. The Proposing Firm must agree to transition and continue the administration of all existing Plan loans.
Do you agree to this term? ____ Yes ____ No
- A24. The Proposing Firm must agree to have representatives attend Committee meetings in person as required (no more than quarterly) (Meetings will be held virtually for the duration of the Covid-19 pandemic, and virtual attendance will suffice) .
Do you agree to this term? ____ Yes ____ No
- A25. The Proposing Firm must have knowledge of and comply with all applicable County, State of Washington and federal regulations regarding governmental retirement plans and investment options. All applicable laws of the City and the State of Washington, whether substantive or procedural, shall apply to this contract, and all statutory, charter, and ordinance provisions that are applicable to City contracts shall be followed with respect to this contract.
Do you agree to this term? ____ Yes ____ No

B. Record Keeping, Cyber Security and Custody

Record Keeping:

B1. Complete the table below regarding your recordkeeping system:

	Response
Is your recordkeeping system proprietary? (Yes/No):	
Used since:	
Number of participants on the system:	
Number of plans on the system:	
Is the system server-based or mainframe-based?	

- B2. Provide a copy of the Firm's SOC 1 audit reports. Include copies in the Exhibit Folder and label it Exhibit 3.
- B3. Provide control objective results from your most recent system audit, including number of exceptions or deviations noted. Include a copy in the Exhibit Folder and label it Exhibit 4.
- B4. Will you provide access, with reasonable notice, to parties authorized by the Plan Sponsor for the purpose of performing any audit or reviews that are deemed necessary? (Yes/No)
- B5. Are there particular file formats that must be utilized when submitting payroll contributions and loan deduction data to your Firm? (Yes/No) If yes, briefly describe.
- B6. What is the daily deadline time in the Plan Sponsor's time zone for you to receive the contribution file and funds and complete the investment of those contributions into the appropriate fund(s)?
- B7. As it relates to your record keeping system, what is the timeframe for participants to report errors after discovery?
- B8. Will you agree to make participants and/or the Plan(s) whole for any and all record keeping and/or administrative errors within your control? (Yes/No)
- B9. Can your Firm tier the investment menu (meaning break up the core menu into sections with asset allocation funds in one tier and the core menu in another) on paper forms? (Yes/No) On the website/mobile? (Yes/No)
- B10. Does your Firm offer a Roth 457 account deferral feature? (Yes/No) If no, describe your planned time-table for offering this feature.
- B11. Does your Firm offer a Roth 457 in-service account conversion feature? (Yes/No) If no, describe your planned time-table for offering this feature.
- B12. If a participant is contributing to both traditional pre-tax and Roth after-tax, can they choose a different investment allocation for each (traditional versus Roth)?
- B13. Do your participant statements show pre-tax and Roth after-tax contributions separately so participants can track these investments separately? (Yes/No)
- B14. In terms of participant contribution capabilities, is your Firm able to process salary deferrals in the form of both percentages and dollar amounts?
- B15. Does your firm allow for paper/form enrollment, rather than requiring electronic enrollment? (Yes/No)
- B16. Is your Firm able to move to paperless enrollment? (Yes/No) If yes, please briefly describe the process and what would be required of the Plan Sponsor.
- B17. Is your Firm able to move to paperless statements? (Yes/No) If yes, please briefly describe the process and what would be required of the participant(s). Could this be a default setting? (Yes/No)
- B18. Is your Firm able to implement automatic enrollment? (Yes/No) If yes, please briefly describe the ramifications and issues the Plan Sponsor will need to consider and explain your Firm's success with governmental agencies around automatic enrollment. If no, describe why not.
- B19. Briefly describe your firm's plans to update systems, policies and communications to comply with the SECURE Act.

Cyber Security:

- B20. Briefly describe your data security process. Include a brief description of how access to participant data (current and archived) is controlled and monitored (i.e., who specifically can view participant account data, who can print this data, who can remove this data from your facility either on a laptop, flash drive, or as a printed report). Limit your response to 300 words.
- B21. Briefly describe your data back-up process. Limit your response to 200 words.
- B22. What form of encryption does your system use in storage?
- B23. What form of encryption does your system use in transit?
- B24. How many system security breaches has your organization experienced in the last three years? How many were under the current system?
- B25. Does your firm comply with the SPARK Institute's Cyber Security Best Practices? (Y/N) If yes, please provide documentation certifying compliance. Include this in the Exhibit Folder and label it Exhibit 5.
- B26. Has your firm had a SOC 2 Report prepared? (Y/N) If yes, please provide a copy of the report. Include this in the Exhibit Folder and label it Exhibit 6.
- B27. State what participant information you share with external vendors or business partners.
- B28. How many external vendors and business partners do you share participant information with?
- B29. How frequently is the security of your data assessed by external parties? State the date of the most recent verification and the party that performed it and provide a summary of the assessment outcome. Include this in the Exhibit Folder and label it Exhibit 7.
- B30. Briefly describe how is indicative data, including Social Security numbers, protected against fraud/theft (both internal and external threats), and what security protocols are in use to guard against fraud/theft? Limit your response to 300 words.
- B31. What is your firm's policy for reimbursing participants who have lost assets from their plan accounts due to cyber-security events (hacking, etc.) and/or fraudulent activity? Describe any limits on losses that may apply at the Participant or Plan level. Limit your response to 300 words.

Custody:

- B32. Who would provide trustee/custodial services to the Plan? If not internal, disclose who you would partner with and the length of your relationship with them.
- B33. Provide a one-page diagram illustrating how assets flow from the client's account, showing every organization that touches participant assets. This should include any trust company, custodian, bank, pass through bank, record keeper and investment company, etc. Include this in the Exhibit Folder and label it Exhibit 8.
- B34. Provide a listing of the custodian's insurance coverage in the specific categories provided in the table below.

Coverage	Amount of Coverage	Insurance Carrier
General Liability:		
Professional E&O:		
Financial Institution Bond:		
Cyber Security:		
Other(s):		

C. Participant Services

On-line Advice / Managed Account Services:

- C1. If requested, will your Firm offer an on-line advice and/or managed account service to the Plan Sponsor's participants? (Yes/No) If yes, complete the chart below.

	On-line Advice Service	Managed Account Service
On-line advice/managed account service provider:		
Name of service:		
Used since:		
Total number of participants utilizing service:		
Total number of plans utilizing service:		
Total amount of participant assets in the service:		
Average participant utilization rate per plan:		

- C2. Could the Plan Sponsor choose to exclude the managed account service and offer only online advice? (Yes/No)
- C3. Can your Firm offer managed accounts only to retirees and separated participants? (Yes/No)
- C4. Does your firm provide a managed account service that is specifically designed for retirees, including those who are taking distributions? (Yes/No) If yes, briefly explain the unique features and pricing of this service. Limit your response to 200 words.
- C5. If you answered "Yes" to C4 above, does the distribution model used in the managed account service allow for distributions to be paid from a specific investment option (i.e., Stable Value)? (Yes/No)
- C6. If you have indicated above that your Firm will provide investment advice, either through the use of an online advice tool or otherwise, provide a sample investment advice report document that is provided to participants. Include this in the Exhibit Folder and label it Exhibit 9.
- C7. Will the representative(s) assigned to serve the Plan Sponsor's participants provide counseling that includes using the on-line investment advice tool to help participants select an appropriate investment allocation? (Yes/No)
- C8. Will your Firm, or the investment advice provider that you are partnered with, assume fiduciary responsibility for the investment advice given to participants? (Yes/No)
- C9. If your Firm will partner with another firm to provide investment advice, internet-based or otherwise, will the Plan Sponsor be required to contract separately with that firm? (Yes/No)

Communication and Education:

- C10. Will your Firm provide online investment advice with assistance provided by your on-site participant service representative(s)? For example, the on-site participant service representative would be expected to explain the online advice tool to the participant, perform the data entry, and generate and explain the output of the service in a one-on-one meeting. (Yes/No) If yes, briefly describe your process for offering this service.

- C11. If applicable, what certifications, licenses and training are the individuals who provide participant investment advice required to obtain (e.g. Series, 7, 63, 65, insurance licenses, etc.)? Please only state required certifications and distinguish between local (on-site) participant representatives and home office (call center) participant representatives.
- C12. Do any of these individuals have any U-4s or Disclosure Events listed with FINRA? (Yes/No) If yes, explain.
- C13. Will you offer participants comprehensive financial planning services? (Yes/No) If yes, will you offer participants comprehensive financial planning services through a Certified Financial Planner? (Yes/No)
- C14. If you answered yes to Question C13, is this person(s) an employee of your organization or subsidiary? (Yes/No)
- C15. If applicable, do any of the individuals who provide financial planning services have any U-4s or Disclosure Events listed with FINRA? (Yes/No) If yes, explain.
- C16. How many on-site service representatives are being proposed for servicing the Plan Sponsor's Plan(s)?
- C17. Describe the physical and personnel resources you will either provide to or need from the Plan Sponsor for on-site services such as office space, conference rooms and clerical/administrative support for meeting arrangements as relevant to the services provided.
- C18. Complete the following for the primary service representative that would be assigned to the Plan Sponsor to directly interact with participants.

Representative's Name:	
Years at Firm:	
Years in industry:	
Location (City, State):	
Total number of client accounts serviced:	
Total assets serviced:	
Total number of participants serviced:	
University degree(s) (BA/BS/MBA, etc. and school(s)):	
Professional Credential(s):	
FINRA/Insurance License(s):	
Typical work schedule (days and hours):	
Anticipated turnaround time for returning emails or phone calls:	

- C19. What minimum FINRA/insurance licenses are required for on-site participant service representatives?
- C20. Would the participant service representative work out of his/her house or an office?
- C21. Will the Plan Sponsor be able to participate in the selection of the on-site participant service representative(s) assigned to the account? (Yes/No)
- C22. How would your Firm handle a scenario where the Plan Sponsor was not satisfied with the personnel assigned to the account?
- C23. Will you provide on-site, individual meetings and group sessions at sites and times specified by the Plan Sponsor? (Yes/No)

C24. Based on the Plan Sponsor's demographic data and your Firm's experience, complete the table below regarding your proposed on-site annual enrollment/education commitment. This response should be based upon the total hours and days that could be committed to under the services contract. If partial service days are considered in the proposal, the partial service days should not be counted as full days, but rather as their proportional equivalent of each day (for example: two half days equal one full day under the contract).

Proposed annual number of on-site service <u>hours</u> :	
Proposed annual number of on-site service <u>days</u> :	

C25. Discuss the compensation structure for any employee, certified financial planner, and contractor (including the on-site participant service representatives) of your organization who would meet face-to-face with the participants and whether this compensation is one-time, recurring or varies based on the investments or products chosen by the participant.

C26. Are your on-site participant service representatives and/or any other employees given incentives to sell the following products or services: online advice, managed accounts, guaranteed minimum withdrawal benefit options, IRA rollover, and/or managed payout options? (Yes/No) Complete the tables below. State additional products or services that apply.

Approximate % of Total Compensation	%
Base Rate/Salary:	
Variable:	
Is Any Compensation Based on the Adoption of:	Yes/No
Fixed or General Account/Stable Value:	
Managed Accounts:	
Guaranteed Minimum Withdrawal Benefit:	
Managed Payout Options:	
Proprietary Mutual Funds:	
Roth or traditional IRA or Rollover IRA:	
Other Retail Products:	

C27. Briefly describe how you measure and/or benchmark the impact your communication and education efforts have on participant behavior? Limit your response to 200 words.

C28. Briefly describe your capability to track and report to the City, on a quarterly basis, the effectiveness of various communication and education outreach campaigns. Limit your response to 200 words.

C29. Do you offer retirement readiness scores or income gap analysis at the participant level? (Yes/No) If yes, please indicate your ability to offer the following:

	Yes/No
Participant retirement readiness scores or income gap analysis on statements:	
Participant retirement readiness scores or income gap analysis on web/landing page:	
Participant retirement readiness scores or income gap analysis on mobile devices:	

C30. Does your firm intend to apply the SECURE Act's life-time income estimate to your non-ERISA clientele's 457 Plans? (Yes/No)

C31. Are you willing to conduct surveys to assess the success of any education program? (Yes/No) If yes, provide a participant survey example in the Exhibit Folder and label it Exhibit 10.

C32. If applicable, how frequently would you propose participant surveys be conducted? How frequently can the Plan Sponsor have participant surveys be conducted without incurring additional costs?

C33. Will you provide the Plan Sponsor with any customized educational materials? (Yes/No) If yes, **briefly** describe what level of customization is available for the following:

	Yes/No	Brief Description
Website:		
Education booklets:		
Newsletters:		
Mailers:		
Participant statements:		
Mobile applications:		
Participant forms:		
Others:		

C34. Does your Firm provide educational services to participants through the use of webinars, including interactive webinars? (Yes/No) If yes, provide links to demo session(s).

C35. If your firm does provide educational webinars, are the webinars kept available on-line for future participant access? (Yes/No) If yes, for how long?

Statements / System Technology:

C36. Do participant statements aggregate all account information if the employee were to have multiple plans/accounts with you? (Yes/No)

C37. What external accounts, not held with your organization, can a participant aggregate into your system?

C38. Does your system capture external account information at initial input? (Yes/No) *For example, participant enters initial external account data and upon subsequent log-ins, the external account data populates.*

C39. Can your system capture and include participant defined benefit plan information, in statements or in a retirement income calculation or gap analysis? (Yes/No) If yes, briefly describe what communication or data feeds you will need from the Plan Sponsor to include this information.

C40. Do participant statements allow for a customized message from the Plan Sponsor? (Yes/No) If yes, what limitations are placed on the size or length in words or characters of the message?

C41. Complete the chart regarding information available on participant statements. Mark (Yes/No) as appropriate and fill in the requested number of business days.

	Yes/No
Monthly fund performance:	
Quarterly fund performance:	
1-year fund performance:	
3-year fund performance:	
5-year fund performance:	
10-year fund performance:	
Cash flow for quarter:	
Roth deferrals for quarter:	

	Yes/No
Asset allocation:	
Total assets:	
Total Roth assets:	
Total outstanding loan amount:	
Loan repayment detail:	
Personal rate of return:	
Does the return take into account cash flow:	
Expense ratios:	
Defined benefit assets (if applicable):	
Projected retirement income based upon account balance and growth assumptions:	
Retirement readiness score:	
	# Business Days
How many days after quarter-end are statements mailed?	
How many days after quarter-end until statements are available online?	
How long are statements available?	

C42. Provide a sample quarterly participant account statement. Include this in the Exhibit Folder and label it Exhibit 11.

C43. Can participants print on-demand account statements with self-selected time periods from your website? (Yes/No)

C44. Complete the following table regarding the information and transaction capabilities available to Plan participants through Phone Service Representatives ("PSR"), Voice Response Unit ("VRU"), Desktop Computer, and Mobile App.

(Indicate availability with Yes/No)

Participant Inquiry/Transactions	PSR	VRU	Desktop Computer	Mobile
Total account balance:				
Roth account balance:				
Account balance by fund:				
Roth account balance by fund:				
Investment elections:				
Deferral rate:				
Roth deferral rate:				
Contribution history:				
Transaction history:				
Withdrawal history:				
Loan application:				
Outstanding loan balance:				
Loan history:				
Loan modeling:				
Primary beneficiary designation:				
Secondary beneficiary designation:				

Participant Inquiry/Transactions	PSR	VRU	Desktop Computer	Mobile
Fund performance:				
Specific investment advice:				
Automatic rebalance:				
Paperless fund to fund transfers:				
Paperless future investment election change:				
Paperless enrollment:				
Paperless deferral/Roth deferral change:				
Prospectus request:				
Paperless loan application:				
Paperless term distribution:				
Investment advice online:				
Hardship application and status:				
Account distribution information:				
Projected retirement income:				
Mobile touch ID:				
Mobile text alerts:				
Mobile responsive design:				

- C45. Except for investment advice/managed account offerings and self-directed brokerage options, are there any outside contractors or other vendors that would provide services to the Plan(s)? (Yes/No) If yes, briefly describe.
- C46. Are participants able to enroll and make changes to their accounts by filling out a paper form? (Yes/No)
- C47. Does the Plan Sponsor have the ability to create a custom participant message for posting on the Internet site? (Yes/No) If yes, what limits are placed on the size of the message?
- C48. Does your Firm provide for online participant loan applications? (Yes/No) If yes, can the entire process be completed online? (Yes/No)
- C49. What is the latest time that a participant can make an investment transfer request and be assured that the transaction will be processed at the end of that day? Time should be listed in the Plan Sponsor's time zone.
- C50. Provide a test address and password in the table below for a representative participant website and/or mobile access experience.

	Sample Website	Sample Mobile
Web/Mobile address:		
Log-in:		
Password/security question:		
Expiration date (if applicable):		

- C51. Briefly explain how phone and website passwords are assigned and changed. Please limit your response to 200 words.

- C52. Once your Firm receives a participant distribution or rollover request, how long does it take, in business days, for a check to be mailed out?
- C53. Once your Firm receives a participant distribution or rollover request, how long does it take, in business days, for an electronic payment to be made to the participant's outside account?
- C54. Can participants select their own periodic payment distribution dates? (Yes/No)
- C55. Can these date(s) be changed once distributions have started? (Yes/No)
- C56. Can participants specify a specific fund source and/or fund order for the distribution? (Yes/No)
- C57. Can participants specify a specific tax source (e.g. pre-tax versus Roth) for the distribution? (Yes/No)

Service Centers:

- C58. Where are your national customer service center(s) located? List hours of operation in Plan Sponsor's time zone. Note: this office is not to be confused with any proposed local office.

Location	Days of Operation	Hours of Operation	Number of Service Reps

- C59. What securities licenses are your customer service center representatives required to maintain? Provide your answer in the table below.

Licenses	Yes/No
Series 6:	
Series 7:	
Series 63:	
Series 65:	
Series 66:	
Insurance:	
Others (List):	

- C60. Complete the following table regarding your call center and website:

	YTD 6/30/2020	2019	2018
Average call response time (min:sec):			
Average length of calls (min:sec):			
Number of dropped calls:			
% of transactions handled by VRU:			
% of transactions handled by Web:			
% of Web transactions handled by mobile device			
% of transactions handled by PSR:			
Call center personnel turnover rate:			

D. Plan Sponsor Services

- D1. Complete the table for any person who would work directly with the Plan Sponsor, such as a regional field manager(s) or a relationship manager(s). Include only the names of representatives who would meet face-to-face with Plan Sponsor employees. Exclude personnel listed in Question C18 unless that person(s) would spend a material amount of time working with Plan Sponsor employees (independent of participants).

Representative's name:	
Years at firm:	
Years in industry:	
Location (City, State):	
Total number of accounts serviced:	
Total assets serviced:	
Total number of participants serviced:	
University degree(s) (BA/BS/MBA, etc. and school(s)):	
Professional credential(s):	
FINRA/insurance license(s):	
Work schedule (days and hours):	
Anticipated turnaround time for returning phone calls:	

- D2. Will your Firm assign the Plan Sponsor a relationship manager that will serve as a single point of contact? (Yes/No) If yes, would this employee attend meetings at Plan Sponsor offices as requested? (Yes/No) If yes, would they offer education or training at these meetings?
- D3. Will the Plan Sponsor be able to participate in the selection of this relationship manager assigned to the account? (Yes/No)
- D4. How would your Firm handle a scenario where the Plan Sponsor was not satisfied with the relationship manager assigned to the account?
- D5. How frequently do you conduct client satisfaction surveys at the Plan Sponsor's level?
- D6. Are Plan Sponsor surveys done internally or outsourced to a third party? If done internally, who is responsible for conducting the surveys (i.e. relationship manager, etc.)?
- D7. Complete the table below regarding tasks an authorized Plan Sponsor staff member is able to accomplish on behalf of participants. If they are able to accomplish each task, list the format available as well as when any changes become effective.

Task	Yes/No	Format (web, paper, etc.)
Change participant information (name, address, beneficiaries, other contact information, etc.):		
Designate date of termination online:		
View deferrals per participant:		
View account balance(s) as of a given date:		
View Plan statements per quarter:		
View YTD contributions per participant:		

D8. Complete the table below regarding all of the reports you currently provide to Plan Sponsors.

Report	Frequency	Available in Paper?	Available on Website?

Expand as necessary

D9. Provide sample plan activity report(s), a quarterly plan sponsor statement, and daily, monthly, quarterly, and annual accounting statements for a participant-directed retirement plan. Total reports are not required, but include enough pages of each report to demonstrate its use and features. Include with your proposal a set of screen shots to illustrate electronic delivery. All should be included in the Exhibit Folder and labeled as Exhibit 12.

D10. Complete the table below to allow access to the demo plan sponsor website.

	Sample Website
Web address:	
Log-in:	
Password/security question:	
Expiration date (if applicable):	

D11. Indicate which administrative functions the Plan Sponsor may outsource, assuming they make use of all your administrative services and authorize your Firm to make approvals or otherwise perform.

	Will Proposing Firm perform this function? (Yes/No)	Once authorized, will the Proposing Firm carry out this function entirely without further Plan Sponsor staff involvement? (Yes/No)
Qualified Domestic Relations Order (QDRO) review:		
QDRO approval:		
Emergency distribution review:		
Emergency distribution approval:		
Beneficiary change processing:		
Term distribution processing:		
Minimum required distribution processing:		
De minimis distribution processing:		
Plan document review/update:		
New participant loan applications and approval:		

D12. Complete the table below indicating the information and services you provide specifically to Plan Sponsors over the Internet.

Function	Proposing Firm will offer this function? (Yes/No)
Report writing capabilities:	
Payroll Deferral Posting Data:	
Participant Account Balance Information:	
Plan Account Balances by Fund:	
Indicative Data Changes:	
Withdrawal Request/Status Tracking:	
Total Outstanding Loan Balances:	
Total Number of Loans in Default:	

D13. Briefly describe when and how the Plan Sponsor and participants would be notified of loan default status, either while in service or post-separation. Be sure to include an explanation of what assistance you require from the Plan Sponsor in this regard.

D14. Does an individual participant have the ability to make loan repayments after separating from service? (Yes/No) If yes, indicate what sources other than payroll deduction are available.

D15. Briefly describe your Firm's participant loan administration processes and capabilities, including how a participant would apply for a loan and how the deduction information would be transmitted to the Plan Sponsor.

D16. Will your firm administer new plan loans taken out by a former employee (retired or separated) that will make loan repayments via ACH? (Yes/No) If Yes, please provide any relevant details.

D17. In the past five (5) years, have any of your Firm's public sector clients experienced participant loan defaults that were not reported to the Plan Sponsor and/or participant in a timely fashion, resulting in taxes not being paid in the correct year? (Yes/No) If yes, how many plans managed by your Firm experienced such an event?

D18. Complete the table below regarding the percentage of defined contribution (DC) plans that offer automatic enrollment and/or a Roth deferral feature. For the governmental plans, these statistics should compare governmental plans with other governmental plans only.

Year	% of Total DC Plans with Auto Enroll	% of Total DC Plans with Roth Deferral	% of Governmental DC Plans with Auto Enroll	% of Governmental DC Plans with Roth Deferral
6/30/2020				
2019				
2018				
2017				

D19. Do you need the Plan Sponsor to specifically identify whether a Plan participant is making regular contributions, pre-retirement catch-up contributions, and/or age 50+ catch-up contributions? (Yes/No for each contribution type)

D20. List any other administrative outsourcing services, not yet noted, that your Firm would make available to the Plan Sponsor.

- D21. Are all communication and education services configured to comply (at a minimum) with the provisions of applicable federal law? (Yes/No)
- D22. Although ERISA is not applicable to public sector plans, will you comply with the communication and education requirements of subdivision (c) of Section 1104 of Title 29 of the US Code, commonly referred to as Section 404(c), as a means of assuring that the Plan Sponsor meets its fiduciary responsibilities? (Yes/No)
- D23. Does your Firm apply the US Department of Labor (DOL) plan sponsor and participant regulations requiring fee disclosure to plan sponsors and participants in non-ERISA-governed plans? (Yes/No) If no, briefly explain why and offer a timeframe in which you could comply with those regulations in relation to the Plan Sponsor's Plan(s). If yes, please include a sample in the Exhibit Folder and label it Exhibit 13.
- D24. Are you willing to indemnify and hold the Plan Sponsor harmless from any legal claims and actions arising out of the educational activities you provide to Plan participants (Yes/No) If no, briefly explain.
- D25. Will you provide legal assistance and compliance to assure the Plan(s) operate in compliance with current and future Internal Revenue Code provisions? (Yes/No)
- D26. How will you inform the Plan Sponsor of actual or contemplated changes in laws or regulations that would impact the Plan(s)?
- D27. Does your Firm provide a plan sponsor newsletter? (Yes/No) If yes, provide a copy of the two most recent editions of this newsletter. Include these in the Exhibit Folder and label it Exhibit 14.

E. Investments and Investment Flexibility

- E1. Will you require the use of a proprietary investment option to secure any enhanced pricing offered under this bid? (Yes/No). If yes, please name the product(s).

Required Proprietary Product Name

- E2. Provide the crediting rate formula for the proposed capital preservation investment option(s) (stable value, General or Fixed Account, etc.). Illustrate the current rate using this formula.
- E3. Provide the market-to-book value ratio (or formulaic equivalent adjustment factor) for the proposed capital preservation investment option(s) and the crediting rate (net of fees) for each of the following years:

	Market Value to Book Value Ratio	Net Annualized Credit Rate
3 rd Quarter 2020		
2019		
2018		
2017		
2016		
2015		
<i>Example</i>	102.75%	2.75%

- E4. For the proposed capital preservation investment option(s), provide monthly or quarterly investment returns, net of management and wrap fee, for the last 10 years in an Excel spreadsheet. Include this in the Exhibit Folder and label it Exhibit 15.
- E5. For the proposed capital preservation investment option(s), provide the most recent attribution sheet that shows the current portfolio breakdown by sector along with any and all wrap providers. Include this in the Exhibit Folder and label it Exhibit 16.
- E6. As applicable, provide a list of the fixed/stable value option wrap providers for any proprietary products and indicate whether or not they are currently providing additional wrap capacity.
- E7. Describe the liquidity provisions for the proposed capital preservation investment option(s).
- E8. If applicable, state the market value adjustment formula that will apply to the capital preservation product(s) that your firm has proposed under enhanced pricing. Briefly describe as needed.
- E9. What benchmark is used to evaluate the performance of the proposed capital preservation investment option(s)?
- E10. For the proposed capital preservation investment option, please confirm whether it is a general account, commingled pool, or separate account.
- E11. Provide a list of all stable value/capital preservation products that are available through your investment platform.

Product Name	Expense Ratio	Revenue Share	Current Net Crediting Rate	Proprietary? (Yes/No)

- E12. For any proposed stable value fund or fixed option, are you able to offer a guaranteed minimum floor above 0.00%? (Yes/No) If yes, please explain and specify for how long the rates are guaranteed?
- E13. For any product that has a put provision, will you allow the Plan Sponsor to provide notice of possible liquidation in advance of any formal decision? For example, could the Plan Sponsor ask you to begin the put notification period and then elect at a later time to keep the fund prior to any actual liquidation and without any charge to the Plan and participants? (Yes/No)
- E14. For all investment options on your platform, do you have restrictions on the number of trades a participant may make in a month, quarter, and year? (Yes/No) If yes, briefly describe.
- E15. Can your organization apply short-term trading restrictions and redemption fees? (Yes/No) Is it your practice to apply these restrictions and fees in accordance with the fund company's policies? (Yes/No)
- E16. How are participants notified if a trade or transfer they are making will have a redemption fee assessed? Does your system provide them guidance on how to avoid this charge? (Yes/No) If yes, briefly describe.
- E17. How many days will it take for you to add or remove a fund from the Plan Sponsor's Plan(s) once you have been given instructions?
- E18. Are fund additions and deletions subject to any monthly, quarterly or annual schedule? (Yes/No) If yes, define the schedule.

- E19. Briefly describe any restrictions to adding new funds to your platform. Limit your response to 250 words or less.
- E20. Will you process non-NSCC eligible investment options? (Yes/No) If yes, please describe any costs associated with the trades?
- E21. Is your Firm able to aggregate assets in certain funds across your other clients to achieve enhanced pricing through prescribed breakpoints? (Yes/No)
- E22. Provide a list of the investment options available through your proprietary and alliance networks. This list should include ticker symbols, expense ratios and revenue share information available for every fund. Segment the list by asset class. Provide this report in an Excel spreadsheet and include this in the Exhibit Folder and label it Exhibit 17.
- E23. Answer Yes/No in the table below to indicate your Firm's ability to provide record keeping for the Plan Sponsor options that may include:

Investment Type	Yes/No
Non-proprietary Commingled Trust Investment Products:	
Non-proprietary General Account:	
Non-proprietary Separate Account Investment Products:	
Exchange-Traded Funds (ETFs):	
Non-proprietary Annuity/Guaranteed Retirement Income Products:	

- E24. Do you currently offer any sort of guaranteed minimum withdrawal benefit (GMWB) product? (Yes/No) If yes, please briefly describe the product including a description of the investment vehicle(s) and pricing. Include this description in the Exhibit Folder and label it Exhibit 18.
- E25. If you answered "Yes" to the question above, will you allow other third-party administration (TPA) companies to record-keep your GMWB product? (Yes/No) If yes, please identify the TPA firms that are providing your GMWB product to defined contribution plans today.
- E26. Will your Firm record keep the guaranteed minimum withdrawal benefit products provided by other firms? (Yes/No). If yes, please list the GMWB products of other firms that are available on your platform today.
- E27. Do you offer a self-directed brokerage account (SDBA) option? (Yes/No)
- E28. Which brokerage house(s) can be utilized?
- E29. Answer yes/no in the following grid as it relates to the SDBA.

	Can be traded? (Yes/No)	Can be restricted? (Yes/No)
Stocks:		
Bonds:		
ETFs:		
Mutual Funds:		
Options:		
Other Derivatives		
Closed-end Limited Partnership		

- E30. Do you have the ability to restrict the amount of assets a participant is able to hold within the SDBA? (Yes/No)
- E31. Briefly discuss the process of transferring assets to/from the core account, and any restrictions in trading frequencies, asset amounts or timing that may be imposed in the SDBA.
- E32. Are participants able to defer contributions directly to the SDBA? (Yes/No)
- E33. Briefly describe how Roth assets are handled within the SDBA.
- E34. Can participants separately designate the transfer of either pre-tax or Roth after-tax dollars to the SDBA? (Yes/No) If yes, will the pre-tax and Roth after-tax contributions and earnings show separately on participant SDBA statements?
- E35. Briefly describe what information your quarterly statements include regarding specific transactions conducted in the SDBA.
- E36. Provide a sample participant statement that your recommended SDBA partner would provide to participants. Include this in the Exhibit Folder and label it Exhibit 19.

F. Transition

- F1. How many governmental plans from \$100 to \$500 million has your Firm transitioned from other providers in the past five years?
- F2. Provide an outline of your transition plan for the Plan Sponsor's retirement Plan. Include a timeline that describes necessary actions, responsible parties and target completion dates. Assume a transition date of July 15, 2021. Include this in the Exhibit Folder and label it Exhibit 20.
- F3. Briefly describe how you will guarantee your stated implementation timeframe? How will you measure the success of the transition?
- F4. Provide a one-page outline of your plan for communicating the transition to participants. Include this in the Exhibit Folder and label it Exhibit 21.
- F5. Will you offer the Plan Sponsor a dedicated transition management team? (Yes/No) If yes, briefly describe the team members and their roles in the following table.

Team member	Role	Estimated number of other transitions they will be working on	Number of prior plans transitioned from current record keeper

- F6. Based on the Plan Sponsor's demographic data and your Firm's experience, complete the table below regarding your proposed on-site education/communication commitment for the transition period. This response should be based upon the total hours and days that could be committed to under the services contract. If partial service days are considered in the proposal, the partial service days should not be counted as full days, but rather as their proportional equivalent of each day (for example: two half days equal one full day under the contract).

Proposed total number of service days:	
Proposed total number of service hours:	

- F7. Briefly describe how you will handle accounts already in systematic distribution during a Plan transition?
- F8. Briefly describe your approach to communicating with retired or otherwise separated employees.
- F9. Briefly describe how emergency distribution requests will be handled during the blackout.
- F10. How many days do you anticipate the entire blackout period lasting on your system? How many days in total?
- F11. Briefly describe any transactions that would be prohibited during this period?
- F12. How long will participant assets be out of the market during the transition?
- F13. Are you able to transfer any of the Plan assets/shares (included those in the SDBA) in-kind? (Yes/No) If yes, please identify and briefly explain.

G. Fees and Expenses Proposal

Annual Fee for Record-Keeping, Participant Services, Plan Sponsor Services and On-Site Education and Counseling ("Admin Fee"):

Responding firms must propose Admin Fees for the following scenarios:

- Propose fees for contracting to serve only the all-City program presently administered by ICMA-RC
- Propose fees for contracting to serve only the Fire Fighter's program presently administered by Nationwide
- Propose fees for contracting to serve both programs

For each of the above fee proposals which you submit, complete answers to question G1 through G5 below, and clearly label each proposal appropriately.

- G1. Complete the table below, showing your firm's proposed annual fee, on a per-participant, fixed dollar fee for providing record-keeping, administration, participant services, plan sponsor services, and on-site education and counseling for the Plan(s) assuming the use of no proprietary products. It should be noted that while the Plan Sponsor is interested in longer term pricing, purchasing requirements may stipulate that the maximum term available is limited to seven years. Thus, ten-year pricing offers carry an assumption that the Plan Sponsor extends its contract with your firm at the appropriate time and the risk that the Plan Sponsor does not extend.

Contract Term	457 Plan Admin Fee	Willing to offer pricing without guaranteed extended term (Yes/No)
Seven Years:		
Ten Years:		

- G2. If your firm is willing to provide enhanced pricing based on the use of any proprietary products or services, such as (but not limited) to a specific stable value/general account option, advisory/managed account services, and/or brokerage option, please state what your fee would be on a per-participant, fixed dollar basis with the use of any such proprietary offerings and state the required product(s) or service(s).

Contract Term	457 Plan Admin Fee	Willing to offer pricing without guaranteed extended term (Yes/No)	Name of proprietary product(s) or service(s) required
Seven Years:			
Ten Years:			

- G3. Is the fixed fee assessed on a per account or per unique participant basis? Please only respond with “per account” or “per unique participant”.
- G4. Complete the table below, showing your firm’s proposed annual fee, as a percentage of plan assets, for providing record-keeping, administration, participant services, plan sponsor services, and on-site education and counseling for the Plan(s) assuming the use of no proprietary products. It should be noted that while the Plan Sponsor is interested in longer term pricing, purchasing requirements may stipulate that the maximum term available is limited to seven years. Thus, ten-year pricing offers carry an assumption that the Plan Sponsor extends its contract with your firm at the appropriate time and the risk that the Plan Sponsor does not extend.

Contract Term	457 Plan Fee	Willing to offer pricing without guaranteed extended term (Yes/No)
Seven Years:		
Ten Years:		

- G5. If your firm is willing to provide enhanced pricing based on the use of any proprietary products or services, such as (but not limited) to a specific stable value/general account option, advisory/managed account services, and/or brokerage option, please state what your fee would be on a percentage of plan asset basis with the use of any such proprietary offerings and state the required product(s) or service(s).

Contract Term	457 Plan Admin Fee	Willing to offer pricing without guaranteed extended term (Yes/No)	Name of proprietary product(s) or service(s) required
Seven Years:			
Ten Years:			

Other Fees, Expenses and Fee Administration Items:

For each of these questions, please note if your answer will be different if it applies to contracting to serve the all-City program, the Fire Fighter’s program, or both programs, and specify what those differences may be.

- G6. Would you include the accounts and/or assets invested through the SDBA in the calculation of the revenue requirement provided for in this section? (Yes/No) If yes, would you include the revenue received for SDBA assets in the revenue calculation? (Yes/No)
- G7. If the Plan Sponsor uses your Firm’s contract, describe your termination language (at-will versus for cause, required advance notice timing for termination, etc.).
- G8. State which products (General Account, etc.) are not subject to your revenue requirement, if any.
- G9. Provide a fee schedule for the self-directed brokerage account (SDBA) option. Be sure to include set-up and maintenance fees as well as trading costs.
- G10. What revenue do you receive from the SDBA option?
- G11. If applicable, will your Firm credit all revenue received from assets invested in the SDBA back to the participant accounts associated with the SDBA investment? (Yes/No) If yes, please briefly describe.
- G12. Are you able to apply the Plan Sponsor-imposed administrative fee referenced in Question G31 and/or the fee cap referenced in Questions G35, G36 to all participant assets, including those invested through the SDBA? (Yes/No) Please briefly describe the process for billing SDBA assets in this regard.
- G13. With regard to financial planning, provide a fee schedule for any related services.

- G14. Describe the fee, if any, for providing investment advice, be it through the on-site representative using an online tool, or through the representative using some other program or approach.
- G15. Are fees for a financial planning service proposed by your Firm assessed to the entire participant population or only to those who use the service?
- G16. Please provide a fee schedule for your online advice and managed account program. Please also indicate whether or not the revenue for these programs would apply towards any revenue or pricing requirements provided in Questions G1 – G5 above.
- G17. If your firm is proposing to incorporate the Plan Sponsor's and Participants' defined benefit plan information in statements, retirement income estimates or other financial tools, will there be any Plan Sponsor or Participant fees for this service? (Yes/No) If yes, please provide a schedule of these fees. Include this in the Exhibit Folder and label it Exhibit 20.
- G18. Provide a list of all other non-asset based, participant-related administration expenses. Items such as per head record keeping fees, loan fees, and additional withdrawal processing expenses should be included.

Participant Administration Services	Cost of Services (\$)
Loan set-up:	
Loan maintenance:	
In-service withdrawals:	
Emergency withdrawals:	
Required minimum distributions:	
QDRO determination:	
QDRO processing:	
Stop payment:	
Replacement 1099-R:	
Wire transfer/EFT:	
Disbursements:	

- G19. Provide a list of all non-asset based plan sponsor-related administrative expenses. This would include special reporting charges, legal fees, administrative processing fees, communications fees, QDRO administration fees, and plan document preparation fees (including any fees to maintain, update, and/or ensure compliance of such document with the Internal Revenue Code).

Plan Sponsor Administration Services	Cost of Services (\$)
Plan reporting:	
Plan document preparation:	
Plan document maintenance:	
Identifying population eligible for required minimum:	
Lost participant/bad address search:	
Assistance with audits:	
Custom communications including customization of website:	
Plan-level fund changes:	
Participant communication/mailing:	
Others (list):	

- G20. Identify all non-asset based participant and plan sponsor service fees not included above.

Performance Guarantees

For each of these questions, please note if your answer will be different if it applies to contracting to serve the all-City program, the Fire Fighter's program or both programs, and specify what those differences may be.

- G21. Complete the following table describing the performance guarantees, if any, you propose. Disclose the dollars you are willing to put at risk for failing to meet the proposed benchmarks. Please be specific. "To Be Determined" is not an acceptable response.

	Benchmark	Amount at Risk
Phone		
Plan sponsor services response time:		
Participant services response time:		
Return all calls to plan sponsor within:		
Return all calls to participants within:		
Statements		
Participant statement mail time:		
Sponsor plan statement mail time:		
Participant online statement posting:		
Sponsor online statement posting:		
Participant Services		
Number of on-site individual meetings:		
Number of on-site group meetings:		
Financial planning services:		
Plan participation rate increases:		
Deferral rate increases:		
Transition		
Timeline:		
Deliverables:		
On-site meetings:		
Administration		
Contribution posting:		
Withdrawals processed:		
Emergency withdrawals processed:		
Rollovers/transfers out:		
Loan processing (if applicable):		
Plan Sponsor Services		
Report delivery:		
Training:		
Overall Satisfaction		
Draft and distribute survey:		
Satisfaction survey score:		

- G22. Will you agree to provide reports to the Plan Sponsor that detail all service performance benchmarks and whether or not they are being met? (Yes/No) If yes, how frequently are the reports available?
- G23. As it pertains to the performance guarantees referenced above, have you ever had to make payments to any clients for failure to perform on these types of guarantees? (Yes/No) If yes, please state how many times over the last three (3) years such payments have been made.

Revenue Share:

For each of these questions, please note if your answer will be different if it applies to contracting to serve the all-City program, the Fire Fighter's program or both programs, and specify what those differences may be.

- G24. If the final investment line-up selected were to generate some amount of revenue sharing, will you rebate any and all revenue above the contracted amount? (Yes/No) If yes, when or how frequently would this rebate occur?
- G25. If the Plan Sponsor desires to assess participants a Plan Sponsor-imposed asset-based fee to offset Plan administration-related expenses, will your Firm assess this fee on behalf of the Plan Sponsor and return those collected fees to the Plan(s) as they are collected? (Yes/No) If yes, briefly describe, addressing the frequency of the fee and how it would be calculated and assessed.
- G26. If the response to Question G30 below is yes, what are the Plan Sponsor's options in terms of the setup of the account to hold such assets, and in what type of vehicles may the assets be invested? Does this investment option have to be on the core menu? (Yes/No)
- G27. Will your Firm hold onto this in a separate account? (Yes/No) If yes, briefly describe how the Plan Sponsor would access the assets held in this account?
- G28. If your firm is able to return excess revenue to the Plan(s), can the Plan Sponsor receive a regular payment? (Yes/No) If yes, describe the frequency(ies).
- G29. As it relates to the administrative fee described in Question G31, will your Firm, if directed, apply a hard dollar annual per participant fee cap? (Yes/No)

For example: The plan sponsor may wish to assess participants a plan administration fee of 0.10% of assets, but only to a maximum of \$150 per year. (Participant with over \$150,000 in assets would pay a maximum of \$150 and the 0.10% would not be applied to balances greater than \$150,000.)

- G30. Will your Firm, if directed, credit revenue share from the investment providers towards offsetting any per-participant plan administration fee? (Yes/No)
- G31. Will your Firm, if directed, return revenue share from investment providers in a pro-rata fashion directly back to the participants who had invested in those funds each quarter, if so directed by the Plan Sponsor? (Yes/No) If yes, please briefly describe.

For example: Participant A invests in Fund A and Fund B. Fund A generates 0.25% in revenue share annually and Fund B generates 0.15% annually. Participant A holds 0.5% of the Plan's total investment in Fund A and 0.5% of the Plan's total investment in Fund B. Each quarter 0.5% of the revenue received or credited from Fund A would be reimbursed into Participant A's account and 0.5% of revenue from Fund B would be reimbursed into Participant A's account. Other participants with different proportionate shares of the Plan's total investments in Fund A and Fund B would receive different reimbursements in accordance with their proportional share of those funds.

- G32. Will your Firm apply different revenue share rebate credits and/or administrative fee offsets at the participant level as applicable to each fund? (Yes/No) If yes, please briefly describe.

For example: A participant invests in Fund A, Fund B and Fund C. Fund A generates 0.25% in revenue share annually, Fund B generates 0.10% annually and Fund C generates no revenue sharing. The plan sponsor has elected to assess all participants a 0.10% administrative fee annually that can be partially or fully offset by any fund revenue sharing. Accordingly, participant assets that are invested in Fund A that shares 0.25% would receive an account credit of 0.15% based on the assets in Fund A; participants in Fund B would receive no credit and no applicable administrative charge assessed to the assets in Fund B; and participants in Fund C would be charged the full 0.10% on the assets invested in Fund C.

- G33. As a requirement to contract with the Plan Sponsor, will you commit in writing to specifically disclosing all revenues received from the investment options and services you offer to the Plan Sponsor? (Yes/No)
- G34. The Plan Sponsor may be exploring different fee collection models from participant accounts. Is your Firm able to implement a hybrid model where fees are collected on both a per-head fee and an asset-based fee? (Yes/No)
- G35. Is your Firm able to implement a minimum fee cap where smaller accounts do not pay an additional administrative tack-on fee? (Yes/No)
- G36. Is your Firm able to implement a maximum fee cap where larger accounts do not pay an additional administrative tack-on fee once they hit a breakpoint? (Yes/No)

H. References

Current Governmental Client References

Provide the following information for five (5) governmental employers with plan assets over \$200 million for which your Firm presently provides **457 Plan** record keeping and plan administration services. Select a contact person for each plan who has managerial/committee member responsibilities associated with the plan.

Client name:	
Contact name & title:	
Contact phone number:	
E-mail address:	
Plan inception date:	
Total plan assets:	
Total participants:	

Former/Terminated Client References

Provide the following information for three (3) governmental employers for which your Firm has, in the last five years (but does not presently), provided **457 Plan** record keeping and plan administration services. Provide a contact person who has/had managerial/committee member responsibilities associated with the plan.

Client name:	
Contact name & title:	
Contact phone number:	
E-mail address:	
Inception date:	
Termination date:	

Total plan assets:	
Total participants:	

Transition References

Provide the following information for three (3) governmental 457 plans with plan assets over \$100 million each, for which you have performed an incoming plan asset and participant data transition within the past three years. Select a contact person at each client that was directly involved with the transition process.

Client name:	
Contact name & title:	
Contact phone number:	
E-mail address:	
Inception date:	
Total plan assets:	
Total participants:	

I. EXHIBITS

Exhibit 1: Firm Ownership Diagram

Exhibit 2: Financial Statements

Exhibit 3: SOC 1 Audit Report

Exhibit 4: System Audit Results

Exhibit 5: SPARK Data Security Best Practices Compliance Certification

Exhibit 6: SOC 2 Audit Report

Exhibit 7: Data Assessment Summary

Exhibit 8: Participant Asset Diagram

Exhibit 9: Investment Advice Report

Exhibit 10: Participant Survey

Exhibit 11: Quarterly Participant Account Statement

Exhibit 12: Activity Report, Quarterly Plan Sponsor Statement, and Daily, Monthly, Quarterly and Annual Accounting Statements for Participant-Directed Plan

Exhibit 13: Fee Disclosure

Exhibit 14: Plan Sponsor Newsletter

Exhibit 15: Capital Preservation Fund Investment Returns

Exhibit 16: Capital Preservation Fund Attribution Sheet

Exhibit 17: Investment Option List

Exhibit 18: GMWB Vehicle and Pricing

Exhibit 19: SDBA Sample Statement

Exhibit 20: Transition Timeline and Plan

Exhibit 21: Transition Communication Plan

APPENDIX B

Deferred Compensation Plan

City of Tacoma Assets by Fund

THE CITY OF TACOMA
DEFERRED COMPENSATION PLAN

HUMAN RESOURCES DEPARTMENT
BENEFITS OFFICE
(253) 591-5440

Effective: August 25, 2016
(prior version dated August 28, 2014)

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**THE CITY OF TACOMA
DEFERRED COMPENSATION PLAN**

**ARTICLE I
INTRODUCTION AND PURPOSE OF PLAN**

1.1 Establishment of Plan

This Plan constitutes an amendment and restatement of the City of Tacoma's Deferred Compensation Plan (the "Plan") a municipal 457(b) plan, authorized by RCW 41.50.770 (2), effective November 29, 2012.

Effective January 1, 2007, the Employer also adopted the Nationwide Retirement Solutions 457 Plan (the "Firefighters Plan"), which is incorporated by reference. Employer shall establish and maintain the Firefighters Plan solely for the benefit of Eligible Firefighters who elect to participate in it. An Eligible Firefighter may elect to participate in this Plan, the Firefighters Plan, or neither, or both.

1.2 Purpose of the Plan

The purpose of this Plan is to allow eligible employees of participating employers to designate a portion of their compensation to be withheld each month and invested at the direction of the participant in one or more investments permitted by the Administrative Committee. Participation in this Plan shall not be construed to establish or create an employment contract between the eligible employee and his or her employer. As a result of position or the terms of collective bargaining agreements, certain employees will be entitled to receive matching or other contributions from their employer.

**ARTICLE II
DEFINITIONS**

2.1 Definitions

Whenever used in the Plan, the following terms shall have the meanings as set forth below unless otherwise expressly provided, and when the defined meaning is intended, the term is capitalized:

A. "Account Balance" means the bookkeeping account maintained with respect to each Participant which reflects the greater than \$0.00 value of the deferred compensation credited to the Participant, including the Participant's Annual Deferrals, the earnings or loss of the Fund (net of Fund expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established for rollover contributions and plan-to-plan transfers made for a Participant,

the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).

B. "Administrator", means the City of Tacoma.

C. "Beneficiary" means the person, persons, or legal entity, as designated by the Participant or provided for in accordance with Section 6.3 of the Plan, that is entitled to receive a Participant's undistributed benefits under the Plan in the event of his or her death.

D. "Code" means the Internal Revenue Code of 1986 as amended.

E. "Committee" or "Administrative Committee" means an administrative committee composed of the Human Resources Director; Chief Deputy City Attorney; City Treasurer, Manager designated by the Director of Public Utilities; Human Resources Benefits Manager; a Joint Labor Committee Representative, or their respective designees, which is acting on behalf of the Administrator, City of Tacoma.

F. "Compensation" means salaries, wages and other forms of remuneration for a calendar year that is attributable to services performed by the Participant for the Employer.

G. "Deferred Compensation" means that portion of the Participant's Compensation which the Participant elects to defer under the Plan (including both Roth elective deferrals and pre-tax deferrals) and any Employer Contributions.

H. "Employee" or "Eligible Employee" means any Employee of a Participating Employer. **"Eligible Firefighter"** means only City of Tacoma firefighter Employees who are represented by and members of Tacoma Firefighters Union Local # 31, per the terms of the 2004-2005 Collective Bargaining Agreement approved by the Tacoma City Council by Resolution No. 36494, adopted June 28, 2005.

I. "Employer" or "Participating Employer" means the City of Tacoma.

J. "Firefighters Plan" means the investment options administered by Nationwide Retirement Solutions 457 Plan. The Firefighter's Plan is offered by Employer to Eligible Firefighters who elect to participate in it as an option under the City of Tacoma's Deferred Compensation Plan.

K. "Includable Compensation" means the Participant's compensation as defined by Code Section 415(c)(3), that is, Compensation before any deferral under Code Section 125 (relating to benefits provided under a cafeteria plan), Section 132(f) (relating to qualified transportation fringe benefits), Section 457(a) (relating to amounts deferred under this Plan), Section 403(b) (relating to contributions for annuity contracts), Section 105(d) (relating to certain disability payments), Section 414(h) (relating to employee contributions to a government plan), or Section 911 (relating to foreign earned income). Compensation is taken into account at its fair market value if paid on other than money, and it is determined without regard to community property laws.

L. “Normal Retirement Age” means that age described in (a) below, subject to the alternative provisions of (b) as elected in writing by the Participant.

i. Age 65; or

ii. As elected by the Participant prior to Severance from Employment or prior to the use of the Catch-up Limitation provision described in Section 3.3.C by written instrument or pursuant to the execution of a revised Participation Agreement, any age within the range of ages ending no later than age 70½ and beginning no earlier than the earlier of age 65 or the earliest age at which the Participant has the right to retire and receive unreduced retirement benefits from the Employer’s basic pension plan.

M. “Participant” means any individual or Beneficiary with an Account Balance.

N. “Pay Period” means a regular accounting period established by the City of Tacoma for measuring and paying Compensation earned by employees.

O. “Plan” means the City of Tacoma’s Deferred Compensation Plan as set forth herein and as it may be amended from time to time.

P. “Plan Service Provider” or “Plan Recordkeeper” or “Provider” refers to the firm or firms that are under contract to provide administration, record-keeping, education, communication and investment related services to the Plan.

Q. “Severance from Employment” means the date that the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Committee.

2.2 Gender and Number

Except when otherwise indicated by the context, any masculine terminology herein shall also include the feminine and neuter and vice versa, and the definition of any terms herein in the singular may also include the plural.

ARTICLE III PARTICIPATION IN THE PLAN

3.1 Eligibility

Any employee is eligible to participate in this Plan on date of hire. Participation in the Firefighters Plan shall be governed by the terms of that Plan.

3.2 Enrollment

An eligible employee as defined in Section 3.1 may become a Participant by agreeing in writing, in a form to be provided by the Committee, to a deferment of his or her Compensation, in

accordance with Section 3.3. Compensation will be deferred for any calendar month only if a properly completed enrollment form has been entered into before the beginning of such month. The deferral will commence with a Pay Period not more than 60 days following the receipt by the Employer of a properly completed enrollment form which is accepted by the Committee. An Eligible Individual may become a Participant and agree to defer accumulated sick pay and accumulated vacation by entering into a Participation Agreement prior to the first day of the calendar month in which the amount deferred would otherwise be paid or made available if the Participant is an employee in that month. If accumulated sick pay or accumulated vacation is payable prior to severance from employment, the amount may be deferred by entering into a Participation Agreement prior to the amount deferred becoming currently available.

3.3 Maximum Deferment

A. The maximum amount of the Deferred Compensation under the Plan for any calendar year shall not exceed the lesser of (i) the Applicable Dollar Amount or (ii) the Participant's Includible Compensation for the calendar year. The Applicable Dollar Amount is the amount established under section 457(e)(15) of the Code, which is \$17,000 for 2012.

The dollar limitation shall be adjusted for cost of living in accordance with Code Section 415(d).

B. Age 50 Catch-up Annual Deferral Contributions. A Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of deferrals, up to the maximum age 50 catch-up for the year. The maximum dollar amount of the age 50 catch-up deferrals for a year is \$5,500 for 2012, adjusted for cost of living after 2012 to the extent provided under the Code.

C. Special Section 457 Catch-up Limitation. If the applicable year is one of a Participant's last 3 calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this paragraph C. exceeds the amount computed under paragraphs A. and B., then the Annual Deferral limit under this Section 3.3 shall be the lesser of:

- i.** An amount equal to 2 times the Applicable Dollar Amount in A. for such year; or
- ii.** The sum of:
 - (a)** An amount equal to the aggregate limit in A. for the current year plus each prior calendar year beginning after December 31, 2001 during which the Participant was an Employee under the Plan, minus the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus
 - (b)** An amount equal to the aggregate limit referred to in section 457(b)(2) of the Code for each prior calendar year beginning after December 31, 1978 and before January 1, 2002 during which the Participant was an Employee (determined without regard to

paragraphs 3.3 A. and B.), minus the aggregate contributions to Pre-2002 Coordination Plans for such years.

D. Roth Deferrals. The Employer has affirmatively elected to permit Roth Elective Deferrals effective January 1, 2013, as follows.

i. Definitions

- (a) Designated Roth Account. A bookkeeping account established and maintained to record the Participant's Roth Elective Deferrals, In-Plan Roth Conversions, rollovers from designated Roth accounts under other eligible retirement plans, and the income gains and losses thereon. Unless specifically stated otherwise, all references in the Plan to a Participant's Account shall include a Participant's Designated Roth Account
- (b) In-Plan Roth Conversion. A distribution from a Participant's pre-tax account that is rolled over to the Participants Designated Roth Account under the Plan, pursuant to Code section 402A(c)(4). Notwithstanding anything herein to the contrary, an amount is not eligible for an In-Plan Roth Conversion unless it is distributable under the terms of the Plan and such distribution is an eligible rollover distribution within the meaning of Code section 402(c)(4).
- (c) Pre-Tax Account. A bookkeeping account established and maintained to record the portion of the Participant's Account attributable to amounts other than Roth Elective Deferrals, In-Plan Roth Conversions, rollovers from designated Roth accounts under other eligible retirement plans, and the income gains and losses thereon. Unless specifically stated otherwise, all references in the Plan to a Participant's Account shall include a Participant's Pre-Tax Account.
- (d) Qualified Roth Contribution Program. A program described in paragraph (1) of Code section 402A(b), under which a Participant may make Roth Elective Deferrals in lieu of all or a portion of the elective deferrals the Participant is otherwise eligible to make under the Plan.
- (e) Roth Elective Deferral. Deferred Compensation contributed pursuant to Section 3.3.D by a Participant, which amounts are:
 - (1) designated irrevocably by the Participant at the time of the deferral as a Roth elective deferral that is being made in lieu of all or a portion of the pre-tax elective deferrals (including catch-up contributions) the Participant is otherwise eligible to make under the Plan; and
 - (2) treated by the Employer as includible in the Participant's income at the time the Participant otherwise would have received that amount as Includible Compensation.

ii. Permitted Roth Elective Deferrals

- (a)** A Participant shall be permitted to make Roth Elective Deferrals from his or her Includible Compensation in such amount or percentage as may be specified in the election. A Participant's Roth Elective Deferrals will be allocated to a Designated Roth Account maintained for such deferrals.
- (b)** Unless specifically stated otherwise, Roth Elective Deferrals will be treated as Deferred Compensation for all purposes under the Plan.

iii. Separate Accounting

- (a)** Contributions and withdrawals of Roth Elective Deferrals, In-Plan Roth Conversions and rollovers from a designated Roth account under an eligible retirement plan will be credited and debited to a Participant's Designated Roth Account.
- (b)** The Plan will maintain a record of the amount of Roth Elective Deferrals, In-Plan Roth Conversions, and rollovers from a designated Roth account under an eligible retirement plan in each Participant's Designated Roth Account.
- (c)** Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's Designated Roth Account and the Pre-Tax Account under the Plan.
- (d)** No contributions other than Roth Elective Deferrals, In-Plan Roth Conversions, and rollovers from a designated Roth account under an eligible retirement plan and properly attributable income gains and losses thereon will be credited to a Participants Designated Roth Account.

iv. Direct Rollovers

- (a)** Notwithstanding anything to the contrary in the Plan, a direct rollover of a distribution from a Designated Roth Account under the Plan shall be made only to another designated Roth account under an eligible retirement plan or to a Roth IRA described in section 408A of the Code, and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.
- (b)** Notwithstanding anything to the contrary in the Plan, the Plan will accept a rollover contribution to a Designated Roth Account only if it is a direct rollover from another designated Roth account under an eligible retirement plan, or if the rollover is an In-Plan Roth Conversion defined in section 3.3.D(i)(B) of this document.
- (c)** Eligible rollover distributions from a Participant's Designated Roth Account are taken into account in determining whether the total amount of the Participant's Account under the Plan exceeds \$1,000 for purposes of

mandatory distributions from the Plan.

v. Availability of Loans from Designated Roth Accounts

- (a)** Designated Roth Accounts will not be available as a source for loans under the Plan.

3.4 Special Rules

For purposes of this Article III, the following rules shall apply:

- A.** Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of section 457(b) of the Code, including but not limited to the Firefighters Plan, then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of Section 3.3. .
- B.** Pre-Participation Years. In applying Section 3.3 C., a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the Basic Annual Limitation described in Section 3.3 A. or any other plan ceiling required by section 457(b) of the Code.
- C.** Pre-2002 Coordination Years. For purposes of Section 3.3 C., “contributions to Pre-2002 Coordination Plans” means any employer contribution, salary reduction or elective contribution under any other eligible Code section 457(b) plan, or a salary reduction or elective contribution under any Code section 401(k) qualified cash or deferred arrangement, Code section 402(h)(1)(B) simplified employee pension (SARSEP), Code section 403(b) annuity contract, and Code section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in section 501(c)(18) of the Code, including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 5.2(c) to the extent that the total of such contributions does not exceed the aggregate limit referred to in section 457(b)(2) of the Code for that year.
- D.** Disregard Excess Deferral. For purposes of Section 3.3, an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent Excess Deferrals under the plan are distributed, as described in Section 3.5. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an Excess Deferral for those prior years.

3.5 Correction of Excess Deferrals

If the Deferred Compensation on behalf of a Participant for any calendar year exceed the limitations described above, or exceeds the limitations described above when combined with

other amounts deferred by the Participant under another eligible deferred compensation plan under section 457(b) of the Code for which the Participant provides information that is accepted by the Administrator, then the Deferred Compensation, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto) shall be distributed to the Participant; provided, that distributions of excess deferrals shall be made first from the Firefighters Plan where the Participant is a Participant of said Plan.

3.6 Modifications to Amount Deferred

The Employer shall adjust the Participant's Compensation, on a Pay Period basis, by the Deferred Compensation amount indicated on the Participant's election to defer or on any subsequent modifications of deferral amount as may be elected by Participant. The change shall take effect only prior to the time any such amounts become payable and as of a Pay Period not more than 60 calendar days following receipt and approval of Participant's election to defer.

3.7 Revocation of Deferral

Any Participant may revoke his or her election to have Compensation deferred by so notifying the Committee in writing. The Participant's full Compensation will then be restored as soon as possible but not later than the Pay Period occurring 60 days after the receipt of the notice, and any other required forms, by the Committee; however, the Participant's benefits under the Plan shall be paid only as provided in Section 6.2 herein.

3.8 Duration of Election to Defer Compensation

Once an election to have Compensation deferred has been made by the Participant, the election shall continue in effect until the Participant's Severance from Employment, unless the Participant modifies the amount in accordance with Section 3.6, or revokes the election in accordance with Section 3.7. The deferral will automatically cease when a Participant's Compensation during a Pay Period is less than the amount to be deferred.

3.9 Employer Contributions

Where provided by a collective bargaining agreement or by the duly adopted compensation plan of the Employer, the Employer shall make contributions on behalf of contributing Participants at such rate and to such maximum amount as shall be established by the collective bargaining agreement or compensation plan. In no event shall the sum of the Employer contributions and the Deferrals provided elsewhere in this Article III exceed the maximum deferral amounts permitted by Section 3.3.

3.10 Protection of Persons Who Serve in a Uniformed Service

An Employee whose employment is interrupted by qualified military service under Code section 414(u) or who is on a leave of absence for qualified military service under Code section 414(u) may elect to make additional deferrals upon resumption of employment with the Employer equal to the maximum deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation)

without the interruption or leave, reduced by the deferrals, if any, actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave). Such a participant will also receive the Employer Contribution under Article 6 that he would have received if employment had continued.

ARTICLE IV HARDSHIP WITHDRAWALS AND LOANS

4.1 Hardship Withdrawal

A distribution of all or a portion of the Participant's Deferred Compensation plus earnings (if any) shall be permitted in the event the Participant experiences severe financial hardship. Severe financial hardship involves an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in Code section 152(a)); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); the need to pay for the funeral expenses of the Participant's spouse or dependent (as defined in Code section 152(a)); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. For example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section 4.1, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency. Whether circumstances constitute an unforeseeable emergency depends on the facts of each case, but, in any case, payment may not be made to the extent that such hardship is or may be relieved.

Any Participant desiring a distribution by reason of hardship must apply pursuant to procedures approved by the Committee and demonstrate that the circumstances being experienced were not under the Participant's control and constitute a real emergency which is likely to cause the Participant great financial hardship. The procedures shall require such medical or other evidence as may be needed to determine the necessity for the Participant's withdrawal request. Distributions will not be made to the extent that such hardship may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, a loan pursuant to Section 4.2, or by cessation of deferrals under the Plan.

If an application is approved, the distribution shall be limited to an amount sufficient only to meet the unforeseeable emergency.

4.2 Loans

A Participant may obtain a loan from his or her account under the Plan in accordance with the terms of the written Participant Loan Program established by the Committee, the terms and conditions of which are incorporated herein by reference. No All loan shall be made which does

not meet the following requirements:

A. The Participant shall apply for a loan in writing on a form providing such information as the Committee shall require.

B. The total amount of the loan, together with the outstanding balance of all other Plan loans to the Participant, shall not exceed the lesser of (1) \$50,000 reduced by the excess, if any, of the highest outstanding balance of loans during the one-year period ending on the day before the loan is made over the outstanding balance of loans from the Plan on the date on which such loan was made, or (2) one-half (1/2) of the fair market value of the Participant's account under the Plan.

C. The interest rates for a Plan loan shall be commensurate with interest rates being charged by entities in the business of lending money under similar circumstances. Generally, the rate assumed will be Prime Rate + 1.00%. The Prime Rate shall be the prime rate published by the Wall Street Journal two weeks prior to the end of the most recent calendar-year quarter. The Committee may adjust the loan interest rate for participants entering active duty in the military services as may be required by law.

D. Each loan shall have a definite maturity date and shall be repayable in level installment payments not less frequently than quarterly. The term for repayment shall not exceed five (5) years.

E. Interest paid on the loan shall accrue to the account of the Participant. The loan shall be secured by the Participant's account. The Participant's loan payments shall be allocated to investment options selected by the Participant for the investment of contributions.

F. A loan shall be available to all Participants on a reasonably equivalent basis. A loan will not be available to a Participant who is not an active Employee.

G. At Severance from Employment, the outstanding balance of a loan will be repayable in full. A default in repayment will result in the outstanding balance of a loan being treated as a taxable distribution. If a Participant takes a distribution from the Plan (other than an in-service distribution), the unpaid balance of the principal and interest of any outstanding loan shall be deducted from the amount of the distribution.

H. A loan will be available only from that portion of the Participant's account which is invested pursuant to an arrangement under which loans are permitted. The limitations of Paragraph B shall apply as if that portion of the Participant's account is the Participant's sole balance under the Plan. The minimum loan will be \$1,000. Only one loan may be outstanding at any time. All loan payments will be made by payroll reduction. No loan will be available if a loan is in default.

I. The entire amount of the loan will be defaulted and treated as a deemed distribution as of the 30th day following the original due date of the initial missed loan payment if both the missed payment and the next payment are not paid by that date. A deemed distribution is treated as distribution from the Plan for federal income tax purposes; therefore amounts treated

as deemed distribution will be subject to federal income taxes. The Plan Service Providers may impose additional rules related to repayment of loans in default.

J. Upon a loan being deemed to be in default as set forth above, a Participant will be ineligible to defer compensation under this Plan for a period of six (6) months after the effective date of the default.

ARTICLE V INVESTMENT OF DEFERRED COMPENSATION

5.1 Individual Accounts

The Employer shall cause an individual account to be maintained with respect to each Participant that reflects the Participant's Deferred Compensation and the value of the respective investment or investments selected by the Participant. Each Participant shall receive periodic reports showing the then-current value of his or her individual account. Each Participant's account shall be charged with its ratable share of administrative, investment, or other expenses, in such amounts and at such times as deemed necessary by the Employer for the maintenance of the Plan.

The benefits due to a Participant or Beneficiary under the Plan shall be equal to the Participant's or Beneficiary's individual Account Balance. The Employer shall not be liable for losses arising from any reason under the Plan.

5.2 Investment and Ownership of Investments

The Committee shall select a number of investment media which shall be made available under the Plan. The Committee is not responsible for selection of investment media under the Firefighters Plan. In making the selections which the Committee is empowered to make, the Committee may rely upon the advice of such investment advisors or City employees as it shall in its sole discretion determine. Each Participant shall be entitled to select one or more of the investment media for investment and reinvestment of Deferred Compensation credited to his or her individual account. Additional investment options may be made available through a brokerage window. Liquidation of investments and transfers among investment media shall be made in accordance with such rules and procedures as the Committee shall in its sole discretion adopt which shall be communicated to Participants.

All amounts of Deferred Compensation, all property and rights purchased with such amounts and all income attributable to such amounts, property or rights shall be held in trust for the exclusive benefit of Participants and Beneficiaries pursuant to the terms of an Agreement and Declaration of Trust which shall be established or adopted by the Committee, and under which members of the Committee shall serve as Trustees.

5.3 No Rights Until Distribution

No Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer, or

otherwise convey or encumber the right to receive any payments hereunder, which payments and rights are expressly declared to be non-assignable and exempt from execution, or transfer by operation of law in the event of bankruptcy or insolvency, except to the extent otherwise required by law.

5.4 Qualified Domestic Relations Order

Notwithstanding any provision of this Plan or Code Section 457(d), the Plan may distribute all or any portion of a Participant's Account Balance pursuant to a qualified domestic relations order (QDRO). A qualified domestic relations order is a domestic relations order which creates or recognizes the existence of an alternate payee's right to or assigns to the alternate payee the right to receive all or a portion of the benefits payable with respect to a Participant under this Plan. A domestic relations order means any judgment, decree or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Participant and is made pursuant to a state domestic relations law. Unless the order otherwise provides, the amount awarded the alternate payee shall be paid out in a lump sum as soon as administratively feasible following the Plan's receipt of the order and the determination that it is a qualified domestic relations order. The Committee shall approve procedures for reviewing domestic relations orders including the time frame within which review will normally be completed, which procedures shall be binding upon the Participants. Where necessary to carry out the terms of the order, a separate account shall be established for the alternate payee who shall be entitled to direct the investment thereof in the same manner as the Participant until payment pursuant to the terms of the order.

ARTICLE VI DISTRIBUTION OF BENEFITS

6.1 Distribution Events

Benefits under the Plan will be distributed in accordance with Section 6.2 within 60 days following the end of the calendar year in which Severance From Employment occurs, but not before such date except as hereinafter specifically provided, or pursuant to Section 4.1 in the case of financial hardship. Notwithstanding the foregoing, a Participant may elect to defer the commencement of distribution to any determinable future date later than the foregoing date, but no later than April 1 of the year following the year of the Participant's retirement or attainment of age 70½, whichever is later.

6.2 Election of Method of Distribution

A Participant may elect one or more of the following methods by which his or her benefits shall be distributed:

- A.** A lump sum cash payment of all or a portion of the balance.

B. A series of payments on an annuity basis as if an annuity contract was purchased which is based upon the life expectancy of the Participant, or, if married, the life expectancy of the Participant and his or her spouse.

C. A series of payments over a fixed period which shall not be longer than the life expectancy of the Participant or, if married, the joint life expectancy of the Participant and his or her spouse.

D. Any combination of the foregoing.

E. Any other payment option elected by Participant that is permissible under law and agreed to by Employer and Provider.

- i.** Where more than one option is elected, the Participant may specify the investment or investments to be allocated to the option or options.
- ii.** Annual installment payments through the year of the Participant's death shall not be less than a fraction of the Account Balance equal to one divided by the distribution period set forth in the Uniform Lifetime Table at section 1.401(a)(9)-9, A-2, of the Income Tax Regulations for the Participant's age on the birthday for that year. If the Participant's age is less than age 70, the distribution period is 27.4 plus the number of years that the Participant's age is less than age 70. The Account Balance for this calculation (other than the final installment payment) is the Account Balance at the end of the year prior to the year for which the distribution is being calculated. Payments shall commence on the date elected under Section 6.1. For any year, the Participant can elect distribution of a greater amount (not to exceed the amount of the remaining Account Balance) in lieu of the amount calculated using this formula.
- iii.** In no event shall any distribution under this Article 6 begin later than the later of (a) April 1 of the year following the calendar year in which the Participant attains age 70 1/2 or (b) April 1 of the year following the year in which the Participant retires or otherwise has a Severance from Employment. If the initial distribution commences in the calendar year following the later of the calendar year in which the Participant attains age 70 1/2 or the calendar year in which the Severance from Employment occurs, the distribution on the date that distribution commences must be equal to the annual installment payment for the year that the Participant has a Severance from Employment determined under the previous paragraph and an amount equal to the annual installment payment for the year after Severance from Employment determined under the previous paragraph must also be paid before the end of the calendar year of commencement.
- iv.** Any distribution under this Plan shall comply with the minimum distribution requirements of the Internal Revenue Service.

6.3 Beneficiary Designation

Each Participant may, by following procedures established by the Committee, select a Beneficiary to receive his or her interest under the Plan in the event of his or her death. The Participant may revoke a Beneficiary designation and name a new Beneficiary by written election made in accordance with procedures established by the Committee. The following rules shall govern the payment of death benefits under the Plan:

A. In the absence of a Beneficiary designation by the Participant, the amount due the Participant under the Plan shall be paid to the following in the order named:

- i.** The surviving spouse or surviving state registered domestic partner of the Participant;
- ii.** surviving children of the Participant in equal shares;
- iii.** surviving parent or parents of the Participant in equal shares;
- iv.** the estate of the Participant.

B. If more than one Beneficiary is named in any category, benefits will be paid according to the following rules:

- i.** Beneficiaries may be designated to share equally or to receive specific percentages.
- ii.** If a Beneficiary dies before the Participant, only the surviving Beneficiaries will be eligible to receive any benefits in the event of death of the Participant. If more than two (2) Beneficiaries are originally named to receive different percentages of the benefits, surviving Beneficiaries will share in the same proportion to each other as indicated in the original designation.

C. A person, trust, estate, or other legal entity may be designated as a Beneficiary.

D. A spousal or state registered domestic partner beneficiary designation will be invalidated by divorce or an official termination of a state registered domestic partnership.

E. Upon the death of the Participant, any Beneficiary entitled under the provisions of this section to the deceased Participant's benefits shall become a "Vested Beneficiary" and have all the rights of the Participant with the exception of making any deferrals.

F. Commencing in the calendar year following the calendar year of the Participant's death, the Participant's Account Balance shall be paid to the Beneficiary in a lump sum. If the Beneficiary with respect to the Participant's Account Balance is a natural person, at the Beneficiary's election, distribution can be made in annual installments (calculated in a manner that is similar to installments under Section 6.2) with the distribution period determined under this paragraph. If the Beneficiary is the Participant's surviving spouse, the distribution period is

equal to the Beneficiary's life expectancy using the single life table in section 1.401(a)(9)-9, A-1, of the Income Tax Regulations for the spouse's age on the spouse's birthday for that year. If the Beneficiary is not the Participant's surviving spouse, the distribution period is the Beneficiary's life expectancy determined in the year following the year of the Participant's death using the single life table in section 1.401(a)(9)-9, A-1, of the Income Tax Regulations for the Beneficiary's age on the Beneficiary's birthday for that year, reduced by one for each year that has elapsed after that year. For any year, a Beneficiary can elect distribution of a greater amount (not to exceed the amount of the remaining Account Balance) in lieu of the amount calculated using this formula.

G. In the event of a conflict between the provisions of this section and the terms of an annuity distribution which has commenced under Section 6.2(B), the latter shall prevail.

6.4 Plan to Plan Transfers

A. Transfers to the Plan: At the direction of the Employer, a Participant who is a participant in another eligible governmental plan under section 457 (b) of the Code may be permitted to transfer assets to the plan as provided in this section. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's interest therein to the Plan. The Committee may require, in its sole discretion that the transfer be in cash or other property acceptable to the Committee or its appointed Administrator. The Committee may require such documentation from the other plan as it seems necessary to effectuate the transfer in accordance with section 457(e)(10) of the Code and section 1.457-10(b) of the Income Tax Regulations and to confirm that the other plan is an eligible governmental plan as defined in section 1.457-2(f) of the Income Tax Regulations. The amount so transferred shall be credited to the Participant's Account Balance and shall be held, accounted for, administered and otherwise treated in the same manner as an Annual Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Annual Deferral under the Plan in determining the maximum deferral under Article III.

B. Transfers from the Plan: At the direction of the Employer, the Administrator may permit a class of Participants and Beneficiaries to elect to have all or any portion of their Account Balance transferred to another eligible governmental plan within the meaning of section 457(b) of the Code and section 1.457-2(f) of the Income Tax Regulations. A transfer is permitted under this Section 6.4.B for a Participant only if the Participant has had a Severance from Employment with the Employer and is an employee of the entity that maintains the other eligible governmental plan. Further, a transfer is permitted under this Section 6.4.B only if the other eligible governmental plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred. However, Eligible Firefighters participating in the Firefighter Plan may elect to have all or any portion of their Account Balance transferred to, from and between the Firefighter Plan and any other investment options available under City of Tacoma Deferred Compensation Plan whether or not they have had a Severance from Employment. An Eligible Firefighter may elect to participate in the Firefighters Plan investment options, or in other investment options available under the City of Tacoma Deferred Compensation Plan, in neither, or in both.

C. Upon the transfer of assets under this Section 6.4, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.4 (for example, to confirm that the receiving plan is an eligible governmental plan under paragraph A. of this Section 6.4, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to section 1.457-10(b) of the Income Tax Regulations.

6.5 Acceptance of Eligible Rollover Contributions to the Plan

A. A Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Committee or its appointed Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible plan within the meaning of section 402(c)(8)(B) of the Code.

B. For purposes of Section 6.5A, an eligible rollover distribution means any distribution of all or any portion of a participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include:

- i.** any installment payment for a period of 10 years or more;
- ii.** any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee; or
- iii.** for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code.

In addition, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, a qualified trust described in section 401(A) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible rollover governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.

C. The Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that *is not* an eligible governmental plan under section 457(b) of the Code. In addition, the Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that *is* an eligible governmental plan under section 457(b) of the Code. A Participant's separate rollover account shall be available for distribution in a full or partial lump sum upon request, even if the Participant is still employed. In all other respects a Participant's rollover account shall be credited to the Participant's Account Balance and shall be held, accounted for, administered and otherwise treated in the same manner as the rest of the Participant's Account Balance.

6.6 Eligible Rollover Distributions

Notwithstanding any provision of the Plan to the contrary, a Participant who has incurred a Severance from Employment may elect, at the time and in the manner prescribed by the Committee, to have all or any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover.

A. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

- i.** Any distribution that is one of a series of substantial equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten (10) years or more;
- ii.** Any distribution to the extent such distribution is required under Code Section 401(a)(9) or Code Section 457(d)(2); and any distribution made as a result of an unforeseeable emergency of the Employee.

B. An eligible retirement plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a) or 403(b), a qualified trust described in Code Section 401(a), or an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible governmental employer. For distributions made after December 31, 2007, an eligible retirement plan shall also include an individual retirement account described in Code Section 408A(b).

C. A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is an alternate payee under a qualified domestic relations order as defined in Code Section 414(p) is a distributee. Effective January 1, 2010, a nonspouse "designated beneficiary" within the meaning of Code Section 401(a)(9)(E) may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution made in a direct rollover to an individual retirement account described in Section 408(a) of the Code or to an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract).

D. A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

6.7 De Minimis Accounts

A. In service Distributions of De Minimis Accounts

- i. Voluntary In-Service Distribution of De Minimis Accounts:** A Participant who is an active Employee may elect to receive a distribution

of the total amount payable to the Participant under the Plan if the following requirements are met:

- (a) the portion of the total amount payable to the Participant under the Plan does not exceed \$5,000;
- (b) the Participant has not previously received an in-service distribution of the total amount payable to the Participant under the Plan; and
- (c) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the in-service distribution.

ii. **Involuntary In-Service Distribution of De Minimis Accounts:** The total amount payable under the Plan to a Participant who is an active Employee shall be distributed to the Employee if the following requirements are met:

- (a) the portion of the total amount payable to the Participant under the Plan does not exceed f \$1,000;
- (b) the Participant has not previously received an in-service distribution of the total amount payable to the Participant under the Plan; and

no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the in-service distribution.

B. De Minimis Mandatory Distribution Upon Separation of Service: If a participant has separated from service and the participant has an account balance of \$1,000 or less and if the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly, then the distribution will be paid in a lump sum to the Participant at the Participant's last known mailing address.

6.8 Trustee to Trustee Transfers to Purchase Permissive Service Credit

All or a portion of a Participant's account may be transferred directly to the trustee of a defined benefit governmental plan (as defined in Code Section 414(d)) if such transfer is:

- A. for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under such plan, or
- B. a payment to which Section 415 of the Code does not apply by reason of subsection (k)(3) thereof, within the meaning of Section 457(e)(17) of the Code.

ARTICLE VII MISCELLANEOUS

7.1 Payments to Minors and Incapacitated Persons

If the Committee shall receive evidence satisfactory to it that a Participant or Beneficiary entitled to receive any benefit under the Plan is, at the time when such benefit becomes payable, a minor, or, as adjudicated by a Court of Law, is incapacitated by reason of mental illness, developmental disability, or other mental incapacity, and unable to receive such benefit and to give a valid release therefore and that another person or an institution is then maintaining or has custody of such Participant or Beneficiary, and that no guardian of the person or other representative of the estate of such Participant or Beneficiary shall have been duly appointed, the Committee may authorize payment of such benefit to such other person or institution, including a custodian under any State Gifts to Minors Act (who shall be an adult, a guardian of the minor or a trust company), or to a Court of Law for distribution pursuant to that Court's order, and the release of such other person or institution shall be a valid and complete discharge for the payment of such benefits.

7.2 Missing Persons

If the Committee is unable, after any benefit becomes due under the Plan to any person, to authorize payment because the identity or whereabouts of such person cannot be ascertained, and after notice by certified mail has been sent to the last known address of such person, the Committee may direct that such benefit and all other benefits with respect to such person be paid to a Court of Law for distribution pursuant to that Court's order.

7.3 Headings and Subheadings

The headings and subheadings in the Plan are inserted for the convenience of reference only and are to be ignored in any construction of the provision hereof.

7.4 Severability

If any provision of the Plan shall be for any reason invalid or unenforceable, the remaining provisions shall, nevertheless, continue in effect and shall not be invalidated thereby.

7.5 Days and Dates

Whenever a time limit is expressed in terms of a number of days, they shall be consecutive calendar days, including weekends and holidays, provided however, that if the last day of the period of days would occur on a weekend or a holiday recognized by the State of Washington, the last day of the period shall be the next business day following.

7.6 Amendment of Plan

The Committee shall have the right to amend this Plan, at any time and from time to time, in whole or in part; provided that the amounts credited to the individual account of each Participant or Beneficiary shall not be reduced by the amendment.

7.7 Termination of Plan

Although each Employer has established this Plan with a bona fide intention and expectation that it will maintain the Plan indefinitely, nevertheless, each Employer is not and shall not be under any obligation or liability whatsoever to maintain the Plan. Each Employer may terminate or

discontinue the Plan with respect to its Employees in whole or in part at any time without any liability whatsoever for such termination or discontinuance. Deferred Compensation for Employees of that Employer shall thereupon cease. After Plan termination, the individual account of each Participant or Beneficiary shall be distributed in accordance with the provisions in Article VI above.

7.8 Applicable Law

This Plan shall be construed, administered and governed in all respects under and by the laws of the State of Washington and the Code.

**AMENDMENT TO THE
CITY OF TACOMA
DEFERRED COMPENSATION PAN**

The Administrative Committee, pursuant to Section 7.6 of The City of Tacoma Deferred Compensation Plan (the "Plan"), hereby adopts the following amendment as permitted by the HEART Act, effective as of January 1, 2019.

1. Section 6.1 of the Plan is amended to read as follows:

Benefits under the Plan will be distributed in accordance with Section 6.2 within 60 days following the end of the calendar year in which Severance From Employment occurs, but not before such date except as hereinafter specifically provided, or pursuant to Section 4.1 in the case of financial hardship. Notwithstanding the foregoing, a Participant may elect to defer the commencement of distribution to any determinable future date later than the foregoing date, but no later than April 1 of the year following the year of the Participant's retirement or attainment of age 70½, whichever is later. Effective January 1, 2019, a Participant shall be treated as having a severance from employment and therefore eligible for a distribution of his elective contributions during any period the Participant is performing service in the uniformed services for more than 30 days as described in Code Section 3401(h)(2)(A). In the event that such a Participant elects to receive a distribution by reason of severance from employment, the Participant may not make an elective deferral to the Plan during the 6-month period beginning on the date of the distribution.

IN WITNESS WHEREOF, the Employer has caused this amendment to be executed as of this 19th day of September, 2019.

City of Tacoma

By Administrative Committee of the
Deferred Compensation Plan

By

Its



Deferred Compensation Committee Chair

City of Tacoma Assets by Fund

ICMA-RC

Ticker	FundName	EndValue
VT PLUS Fund R13	Vantagepoint PLUS Fund R13	\$ 106,041,241.23
PDMIX	PIMCO GNMA and Govt Sec Fd Instl	\$ 1,509,936.66
MWTSX	Metropolitan West Total Return Bond Plan	\$ 4,921,348.23
VBTLX	Vanguard Total Bond Market Index Adm	\$ 5,702,999.11
HWHIX	Hotchkis & Wiley High Yield I	\$ 2,003,337.08
VINIX	Vanguard Institutional Index Instl	\$ 46,197,587.68
JVMRX	JHancock Disciplined Value Mid Cap R6	\$ 3,540,149.98
VMCIX	Vanguard Mid Cap Index Instl	\$ 17,346,274.57
DFFVX	DFA US Targeted Value I	\$ 2,246,930.23
VSCIX	Vanguard Small Cap Index Instl	\$ 13,415,096.78
VEXRX	Vanguard Explorer Adm	\$ 3,632,343.06
OGLIX	Invesco Oppenheimer Global R6	\$ 9,927,295.04
DODFX	Dodge & Cox International Stock	\$ 5,955,878.49
VTIAX	Vanguard Total Intl Stock Index Adm	\$ 3,219,291.83
REGRX	American Funds EuroPacific Growth R6	\$ 5,920,299.03
DFISX	DFA International Small Company I	\$ 1,357,286.53
VITRX	Vanguard Instl Target Retirement Income Instl	\$ 8,550,161.71
VITVX	Vanguard Instl Target Retirement 2015 Instl	\$ 12,492,518.10
VITWX	Vanguard Instl Target Retirement 2020 Instl	\$ 16,474,867.30
VRIVX	Vanguard Instl Target Retirement 2025 Instl	\$ 19,756,449.91
VTTWX	Vanguard Instl Target Retirement 2030 Instl	\$ 12,773,726.82
VITFX	Vanguard Instl Target Retirement 2035 Instl	\$ 9,989,231.71
VIRSX	Vanguard Instl Target Retirement 2040 Instl	\$ 10,401,768.36
VITLX	Vanguard Instl Target Retirement 2045 Instl	\$ 5,836,457.20
VTRLX	Vanguard Instl Target Retirement 2050 Instl	\$ 3,657,798.76
VIVLX	Vanguard Instl Target Retirement 2055 Instl	\$ 298,229.81
VILVX	Vanguard Instl Target Retirement 2060 Instl	\$ 981,734.61
VSXFX	Vanguard Instl Target Retirement 2065 Instl	\$ 919,173.19
ICMA-RC Self-Directed Brokerage Accounts	Self-Directed Brokerage Accounts	\$ 7,758,745.95
VFTAX	Vanguard FTSE Social Index Adm	\$ 6,171,466.50
PCCOX	T. Rowe Price U.S. Equity Research I	\$ 55,450,513.97
OTCKX	MFS Mid Cap Growth R6	\$ 15,508,672.39

City of Tacoma Assets by Fund

Nationwide

Ticker	FundName	EndValue
VMFXX	Vanguard Federal Money Market Inv	\$ 3,265,1
NW_FixedTacomaFF	Nationwide Fixed Account	\$ 8,507,9
MWTSX	Metropolitan West Total Return Bond Plan	\$ 1,027,5
VBTLX	Vanguard Total Bond Market Index Adm	\$ 1,789,7
PDMIX	PIMCO GNMA and Govt Sec Fd Instl	\$ 571,8
HWHIX	Hotchkis & Wiley High Yield I	\$ 251,3
VINIX	Vanguard Institutional Index Instl	\$ 5,985,9
PCCOX	T. Rowe Price U.S. Equity Research I	\$ 4,294,7
JVMRX	JHancock Disciplined Value Mid Cap R6	\$ 235,0
VMCIX	Vanguard Mid Cap Index Instl	\$ 3,102,6
OTCKX	MFS Mid Cap Growth R6	\$ 509,4
DFFVX	DFA US Targeted Value I	\$ 172,0
VSCIX	Vanguard Small Cap Index Instl	\$ 1,688,0
VEXRX	Vanguard Explorer Adm	\$ 339,8
OGLIX	Invesco Oppenheimer Global R6	\$ 2,057,6
DODFX	Dodge & Cox International Stock	\$ 117,9
VTIAX	Vanguard Total Intl Stock Index Adm	\$ 885,0
RERGX	American Funds EuroPacific Growth R6	\$ 692,7
DFISX	DFA International Small Company I	\$ 208,3
VITRX	Vanguard Instl Target Retirement Income Instl	\$ 311,7
VITVX	Vanguard Instl Target Retirement 2015 Instl	\$ 3,043,3
VITWX	Vanguard Instl Target Retirement 2020 Instl	\$ 6,639,6
VRIVX	Vanguard Instl Target Retirement 2025 Instl	\$ 5,064,2
VTTWX	Vanguard Instl Target Retirement 2030 Instl	\$ 3,598,5
VITFX	Vanguard Instl Target Retirement 2035 Instl	\$ 7,848,9
VIRSX	Vanguard Instl Target Retirement 2040 Instl	\$ 7,660,5
VITLX	Vanguard Instl Target Retirement 2045 Instl	\$ 3,009,4
VTRLX	Vanguard Instl Target Retirement 2050 Instl	\$ 910,4
VIVLX	Vanguard Instl Target Retirement 2055 Instl	\$ 1,184,0
VILVX	Vanguard Instl Target Retirement 2060 Instl	\$ 458,7
VSXFX	Vanguard Instl Target Retirement 2065 Instl	\$ 144,3
VFTAX	Vanguard FTSE Social Index Adm	\$ 853,6

APPENDIX C

Sample Contract

Standard Certificate of Insurance and Endorsement Requirements

CONTRACT

Resolution No.
Contract No.

This Contract is made and entered into effective this _____ day of ,20____, ("Effective Date") by and between the City of Tacoma, a Municipal Corporation of the State of Washington ("City"), and legal name of Supplier including type of business entity ("Contractor").

That in consideration of the mutual promises and obligations hereinafter set forth the Parties hereto agree as follows:

- I. Contractor shall fully execute and diligently and completely perform all work and provide all services and deliverables described herein and in the items listed below each of which are fully incorporated herein and which collectively are referred to as "Contract Documents":

-
1. Specification No. Enter Spec Number and Enter Spec Title together with all authorized addenda.
 2. Contractor's submittal (or specifically described portions thereof) dated Enter Submittal Date submitted in response to Specification No. Enter Spec Number and Enter Spec Title.
 3. Describe with specific detail and list separately any other documents that will make up the contract (fee schedule, work schedule, authorized personnel, etc.) or any other additional items mutually intended to be binding upon the parties.
-

Delete this highlighted sentence, paragraph II and sub-bullets #1 and #2 if there are no additional attachments to the contract (attachments would be things other than a specific, contract, or bonds).

- II. In the event of a conflict or inconsistency between the terms and conditions contained in this document entitled Contract and any terms and conditions contained the above referenced Contract Documents the following order of precedence applies with the first listed item being the most controlling and the last listed item the least controlling:
1. Contract
 2. List remaining Contract Documents in applicable controlling order.
- III. The Contract terminates on xxxxx. {May remove if not applicable}
- IV. The total price to be paid by City for Contracts full and complete performance hereunder may not exceed:
\$ _____, plus any applicable taxes.
- V. Contractor agrees to accept as full payment hereunder the amounts specified herein and in Contract Documents, and the City agrees to make payments at the times and in the manner and upon the terms and conditions specified. Except as may be otherwise provided herein or in Contract Documents Contractor shall provide and bear the expense of all equipment, work and labor of any sort whatsoever that may be required for the transfer of materials and for constructing and completing the work and providing the services and deliverables required by this Contract.
- VI. The City's preferred method of payment is by ePayables (Payment Plus), followed by credit card (aka procurement card), then Electronic Funds Transfer (EFT) by Automated Clearing House (ACH), then check or other cash equivalent. CONTRACTOR may be required to have the capability of accepting the City's ePayables or credit card methods of payment. The City of Tacoma will not accept price changes or pay additional fees when ePayables (Payment Plus) or credit card is used. The City, in its sole discretion, will determine the method of payment for this Contract.
- VII. Failure by City to identify a deficiency in the insurance documentation provided by Contractor or failure of City to demand verification of coverage or compliance by Contractor with these insurance requirements shall not be construed as a waiver of Contractor's obligation to maintain such insurance.
- VIII. Contractor acknowledges, and by signing this Contract agrees, that the Indemnification provisions set forth in the controlling Contract Documents, including the Industrial Insurance immunity waiver (if applicable), are totally and fully part of this Contract and, within the context of the competitive bidding laws, have been mutually negotiated by the Parties hereto.

- IX. Contractor and for its heirs, executors, administrators, successors, and assigns, does hereby agree to the full performance of all the requirements contained herein and in Contract Documents.
- X. It is further provided that no liability shall attach to City by reason of entering into this Contract, except as expressly provided herein.

IN WITNESS WHEREOF, the Parties hereto have accepted and executed, as of the Effective Date stated above, which shall be Effective Date for bonding purposes as applicable.

CITY OF TACOMA:

CONTRACTOR:

By:

By:

(City of Tacoma use only - blank lines are intentional)

Director of Finance: _____

City Attorney (approved as to form): _____

Approved By: _____

Approved By: _____

Approved By: _____

Approved By: _____

Approved By: _____

Approved By: _____

Approved By: _____



CITY OF TACOMA INSURANCE REQUIREMENTS FOR CONTRACTS

The Contractor (Contractor) shall maintain at least the minimum insurance set forth below. By requiring such minimum insurance, the City of Tacoma shall not be deemed or construed to have assessed the risk that may be applicable to Contractor under this Contract. Contractor shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

1. GENERAL REQUIREMENTS

The following General Requirements apply to Contractor and to Subcontractor(s) of every tier performing services and/or activities pursuant to the terms of this Contract. Contractor acknowledges and agrees to the following insurance requirements applicable to Contractor and Contractor's Subcontractor(s):

- 1.1. City of Tacoma reserves the right to approve or reject the insurance provided based upon the insurer, terms and coverage, the Certificate of Insurance, and/or endorsements.
- 1.2. Contractor shall not begin work under the Contract until the required insurance has been obtained and approved by City of Tacoma.
- 1.3. Contractor shall keep this insurance in force during the entire term of the Contract and for Thirty (30) calendar days after completion of all work required by the Contract, unless otherwise provided herein.
- 1.4. Insurance policies required under this Contract that name "City of Tacoma" as Additional Insured shall:
 - 1.4.1. Be considered primary and non-contributory for all claims.
 - 1.4.2. Contain a "Separation of Insured provision and a "Waiver of Subrogation" clause in favor of City of Tacoma.
- 1.5. Section 1.4 above does not apply to contracts for purchasing supplies only.
- 1.6. Verification of coverage shall include:
 - 1.6.1. An ACORD certificate or equivalent.
 - 1.6.2. Copies of all endorsements naming the City of Tacoma as additional insured and showing the policy number.
 - 1.6.3. A notation of coverage enhancements on the Certificate of Insurance shall not satisfy these requirements – actual endorsements must be submitted.
- 1.7. Liability insurance policies, with the exception of Professional Liability and Workers' Compensation, shall name the City of Tacoma and its officers, elected officials, employees, agents, and authorized volunteers as additional insured.
 - 1.7.1. No specific person or department should be identified as the additional insured.
 - 1.7.2. All references on certificates of insurance and endorsements shall be listed as "City of Tacoma".
 - 1.7.3. The City of Tacoma shall be additional insured for both ongoing and completed operations using Insurance Services Office (ISO) form CG 20 10 04 13 and CG 20



CITY OF TACOMA

INSURANCE REQUIREMENTS FOR CONTRACTS

37 04 13 or the equivalent for the full available limits of liability maintained by the Contractor irrespective of whether such limits maintained by the Contractor are greater than those required by this Contract and irrespective of whether the Certificate of Insurance describes limits lower than those maintained by the Contractor.

- 1.8. Contractor shall provide a Certificate of Insurance for each policy of insurance meeting the requirements set forth herein when Contractor provides the signed Contract for the work to City of Tacoma. Contractor shall provide copies of any applicable Additional Insured, Waiver of Subrogation, and Primary and Non-contributory endorsements. Contract or Permit number and the City Department must be shown on the Certificate of Insurance.
- 1.9. Insurance limits shown below may be written with an excess policy that follows the form of an underlying primary liability policy or an excess policy providing the required limit.
- 1.10. Liability insurance policies shall be written on an "occurrence" form, except for Professional Liability/Errors and Omissions, Pollution Liability, and Cyber/Privacy and Security
- 1.11. If coverage is approved and purchased on a "Claims-Made" basis, Contractor warrants continuation of coverage, either through policy renewals or by the purchase of an extended reporting period endorsement as set forth below.
- 1.12. The insurance must be written by companies licensed or authorized in the State of Washington pursuant to RCW 48 with an (A-) VII or higher in the A.M. Best's Key Rating Guide www.ambest.com.
- 1.13. Contractor shall provide City of Tacoma notice of any cancellation or non-renewal of this required insurance within Thirty (30) calendar days.
- 1.14. Contractor shall not allow any insurance to be cancelled or lapse during any term of this Contract, otherwise it shall constitute a material breach of the Contract, upon which City of Tacoma may, after giving Five (5) business day notice to Contractor to correct the breach, immediately terminate the Contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith; with any sums so expended to be repaid to City of Tacoma by Contractor upon demand, or at the sole discretion of City of Tacoma, offset against funds due Contractor from City of Tacoma.
- 1.15. Contractor shall be responsible for the payment of all premiums, deductibles and self-insured retentions, and shall indemnify and hold the City of Tacoma harmless to the extent such a deductible or self-insured retained limit may apply to the City of Tacoma as an additional insured. Any deductible or self-insured retained limits in excess of Twenty Five Thousand Dollars (\$25,000) must be disclosed and approved by City of Tacoma Risk Manager and shown on the Certificate of Insurance.
- 1.16. City of Tacoma reserves the right to review insurance requirements during any term of the Contract and to require that Contractor make reasonable adjustments when the scope of services has changed.



CITY OF TACOMA

INSURANCE REQUIREMENTS FOR CONTRACTS

- 1.17. All costs for insurance shall be incidental to and included in the unit or lump sum prices of the Contract and no additional payment will be made by City of Tacoma to Contractor.
- 1.18. Insurance coverages specified in this Contract are not intended and will not be interpreted to limit the responsibility or liability of Contractor or Subcontractor(s).
- 1.19. Failure by City of Tacoma to identify a deficiency in the insurance documentation provided by Contractor or failure of City of Tacoma to demand verification of coverage or compliance by Contractor with these insurance requirements shall not be construed as a waiver of Contractor's obligation to maintain such insurance.
- 1.20. If Contractor is a State of Washington or local government and is self-insured for any of the above insurance requirements, a certification of self-insurance shall be attached hereto and be incorporated by reference and shall constitute compliance with this Section.

2. CONTRACTOR

As used herein, "Contractor" shall be the Supplier(s) entering a Contract with City of Tacoma, whether designated as a Supplier, Contractor, Vendor, Proposer, Bidder, Respondent, Seller, Merchant, Service Provider, or otherwise.

3. SUBCONTRACTORS

It is Contractor's responsibility to ensure that each subcontractor obtain and maintain adequate liability insurance coverage. Contractor shall provide evidence of such insurance upon City of Tacoma's request.

4. REQUIRED INSURANCE AND LIMITS

The insurance policies shall provide the minimum coverages and limits set forth below. Providing coverage in these stated minimum limits shall not be construed to relieve Contractor from liability in excess of such limits.

4.1 Commercial General Liability Insurance

Contractor shall maintain Commercial General Liability Insurance policy with limits not less than One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) annual aggregate. The Commercial General Liability Insurance policy shall be written on an Insurance Services Office form CG 00 01 04 13 or its equivalent. Products and Completed Operations shall be maintained for a period of three years following Substantial Completion of the Work related to performing construction services.

This policy shall include product liability especially when a Contract solely is for purchasing supplies. The Commercial General Liability policy shall be endorsed to include:

- 4.1.1 A per project aggregate policy limit, using ISO form CG 25 03 05 09 or an equivalent endorsement.

4.2 Commercial (Business) Automobile Liability Insurance

Contractor shall maintain Commercial Automobile Liability policy with limits not less than One Million Dollars (\$1,000,000) each accident for bodily injury and property damage and bodily injury and property damage coverage for owned (if any), non-owned, hired, or leased vehicles.



CITY OF TACOMA

INSURANCE REQUIREMENTS FOR CONTRACTS

Commercial Automobile Liability Insurance shall be written using ISO form CA 00 01 or equivalent. Contractor must also maintain an MCS 90 endorsement or equivalent and a CA 99 48 endorsement or equivalent if "Pollutants" are to be transported.

4.3 Workers' Compensation

Contractor shall comply with Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington, as well as any other similar coverage required for this work by applicable federal laws of other states. The Contractor must comply with their domicile State Industrial Insurance laws if it is outside the State of Washington.

4.4 Employers' Liability Insurance

Contractor shall maintain Employers' Liability coverage with limits not less than One Million Dollars (\$1,000,000) each employee, One Million Dollars (\$1,000,000) each accident, and One Million Dollars (\$1,000,000) policy limit.

4.5 Professional Liability Insurance or Errors and Omissions

Contractor and/or its subcontractor shall maintain Professional Liability or Errors and Omissions with limits of One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) in the aggregate covering acts, errors and omissions arising out of the professional services under this Contract.

If the policy limit includes the payment of claims or defense costs, from the policy limit, the per claim limit shall be Two Million Dollars (\$2,000,000).

If the scope of such design-related professional services includes work related to pollution conditions, the Professional Liability policy shall include Pollution Liability coverage. If provided on a "claims-made" basis, such coverage shall be maintained by policy renewals or an extended reporting period endorsement for not less than three years following the end of the Contract.

4.6 Excess or Umbrella Liability Insurance

Contractor shall provide Excess or Umbrella Liability Insurance with limits not less than Ten Million Dollars (\$10,000,000) per occurrence and in the aggregate. This coverage shall apply, at a minimum, in excess of primary underlying Commercial General Liability, Employer's Liability, Pollution Liability, Marine General Liability, Protection and Indemnity, and Automobile Liability if required herein.

4.7 Employee Theft Insurance

Contractor shall maintain Employee Theft or Employee Dishonesty Insurance policy with a limit not less than One Million Dollars (\$1,000,000) per occurrence. Such policy shall include the City of Tacoma as Loss Payee.

4.8 Cyber/Privacy and Security Insurance

Contractor shall maintain Cyber Privacy and Security Insurance with coverage of not less than One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) general aggregate that includes, but is not limited to, coverage for first party costs and third-party claims. Coverage shall include loss resulting from data security/privacy breach, unauthorized access, denial of service attacks, introduction of virus and malicious code, network security failure, dissemination or destruction of electronic data, business interruptions, privacy law violation, and disclosure of non-public, personal and confidential information, and failure to disclose breaches as required law or Contract. Coverage shall include notifications and other expenses incurred in remedying a privacy breach as well as costs to investigate and restore data. Coverage shall also



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include communications liability (e.g., infringement of copyrights, title, slogan, trademark, trade name, trade dress, service mark, or service name in the policy holders covered material).

4.9 Media Liability Insurance

Contractor shall maintain Media Liability coverage with limits not less than One Million Dollars (\$1,000,000) each claim and One Million Dollars (\$1,000,000) aggregate. Coverage shall include but not be limited to defamation, disparagement, libel, slander, invasion of privacy, infringement of title, slogan, trademark, trade name, trade dress, service mark or service name, infringement of copyright and plagiarism.

4.10 Other Insurance

Other insurance may be deemed appropriate to cover risks and exposures related to the scope of work or changes to the scope of work required by City of Tacoma. The costs of such necessary and appropriate Insurance coverage shall be borne by Contractor.

APPENDIX D

Standard Terms and Conditions

**CITY OF TACOMA
STANDARD TERMS AND CONDITIONS
GOVERNS BOTH GOODS AND SERVICES AS APPLICABLE**

In the event of an award by the City, these Terms and Conditions stated herein, Additional Contract Documents if issued, Solicitation if issued, Purchase Orders if issued by City, and Supplier's Submittal, if provided, shall constitute the Contract between City and Supplier for the acquisition of goods, including materials, supplies, and equipment or for the provision of services and deliverables.

Said documents represent the entire Contract between the parties and supersede any prior oral statements, discussions, or understandings between the parties, and/or subsequent Supplier invoices. No modification of the Contract shall be effective unless mutually agreed in writing.

The specific terms and conditions of any Solicitation (Specification, Request for Bids, Request for Proposals, Requests for Qualifications, Requests for Quotations, Request for Information, bid documents, request to enter into negotiations, or other form of solicitation issued by City, including any general, special, or technical provisions associated with such Solicitations) are incorporated herein by reference and supersede these Terms and Conditions where there is conflict or inconsistency.

In the event Additional Contract Documents are negotiated and agreed to in writing between Supplier and City, the specific terms of such Additional Contract Documents are incorporated herein by reference and supersede all other terms and conditions where there is conflict or inconsistency.

These Terms and Conditions, Additional Contract Documents if issued, Solicitation if issued, City purchase order if issued, are controlling over Supplier's Submittal if a Submittal is provided. Submittals if provided are incorporated herein by reference.

1.01 SUPPLIER / CONTRACTOR

As used herein, "Supplier" or "Contractor" shall be the Supplier(s) entering a Contract with City, whether designated as a Supplier, Contractor, Vendor, Proposer, Bidder, Respondent, Seller, Merchant, Service Provider, or otherwise.

1.02 SUBMITTAL

Submittal means Bids, Proposals, Quotes, Qualifications or other information, content, records or documents submitted in response to a City Solicitation.

1.03 FORMS OF SUBMITTAL

Unless stated otherwise, all submittals must be in SAP Ariba and submitted exactly as specified or directed, and all required forms must be used.

1.04 COSTS TO PREPARE SUBMITTAL

The City is not liable for any costs incurred by Supplier for the preparation of materials or a Submittal provided in response to a solicitation, conducting presentations to the City, or any other activities related to responding to the City's Solicitation.

1.05 LICENSES/PERMITS

- A. Suppliers, if applicable, must have a Washington state business license at the time of Submittal and throughout the term of the Contract. Failure to include a Washington state business license may be grounds for rejection of the Submittal or cancellation of contract award. Information regarding Washington state business licenses may be obtained at <http://bls.dor.wa.gov>.
- B. Upon award, it is the responsibility of the Supplier to register with the City of Tacoma's Tax and License Division, 733 South Market Street, Room 21, Tacoma, WA 98402-3768, 253-591-5252, https://www.cityoftacoma.org/government/city_departments/finance/tax_and_license/. Supplier shall obtain a business license as is required by Tacoma Municipal Code Subtitle 6C.20.
- C. During the term of the Contract, Supplier, at its expense, shall obtain and keep in force any and all necessary licenses and permits.

1.06 PUBLIC DISCLOSURE: PROPRIETARY OR CONFIDENTIAL INFORMATION

- A. Supplier Submittals, all documents and records comprising the Contract, and all other documents and records provided to the City by Supplier are deemed public records subject to disclosure under the Washington State Public Records Act, Chapter 42.56 RCW (Public Records Act). Thus, City may be required, upon request, to disclose the Contract and documents or records related to it unless an exemption under the Public Records Act or other laws applies. In the event CITY receives a request for such disclosure, determines in its legal judgment that no applicable exemption to disclosure applies, and Supplier has complied with the requirements to mark records considered confidential or proprietary as such requirements are stated below, City agrees to provide Supplier 10 days written notice of impending release. Should legal action thereafter be initiated by Supplier to enjoin or otherwise prevent such release, all expense of any such litigation shall be borne by Supplier, including any damages, attorneys' fees or costs awarded by reason of having opposed disclosure. City shall not be liable for any release where notice was provided and Supplier took no action to oppose the release of information.
- B. If Supplier provides City with records or information that Supplier considers confidential or proprietary, Supplier must mark all applicable pages or sections of said record(s) as "Confidential" or "Proprietary." Further, in the case of records or information submitted in response to a Request for Proposals, an index must be provided indicating the affected pages or sections and locations of all such material identified Confidential or Proprietary. Information not included in the required index will not be reviewed for confidentiality or as proprietary before release. If Supplier fails to so mark or index Submittals and related records, then the City, upon request, may release said record(s) without the need to satisfy the requirements of subsection A above; and Supplier expressly waives its right to allege any kind of civil action or claim against the City pertaining to the release of said record(s).
- C. Submission of materials in response to City's Solicitation shall constitute assent by Supplier to the foregoing procedure and Supplier shall have no claim against the City on account of actions taken pursuant to such procedure.

1.07 SUSTAINABILITY

- A. The City has interest in measures used by its contractors to ensure sustainable operations with minimal adverse impact on the environment. The City seeks to do business with vendors that value community and environmental stewardship that help us meet our sustainable purchasing goals.
- B. The City encourages the use of environmentally preferable products or services that help to minimize the environmental and human health impacts of City operations. Suppliers are encouraged to incorporate environmentally preferable products or services into Submittals wherever possible. "Environmentally preferable" means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service.
- C. Environmental Standards. The City seeks to ensure that all purchases comply with current environmental standards and product specifications. Where appropriate, third party independent certifiers such as Green Seal and USEPA Standards shall be a minimum specification for products to the City, unless specified otherwise herein.
- D. The City encourages the use of sustainability practices and desires any awarded Suppliers to assist in efforts to address such factors when feasible for:
 - 1. Pollutant releases
 - 2. Toxicity of materials used
 - 3. Waste generation
 - 4. Greenhouse gas emissions, including transportation of materials and services
 - 5. Recycle content
 - 6. Energy consumption
 - 7. Depletion of natural resources
 - 8. Potential impact on human health and the environment

1.08 ALTERATIONS NOT ALLOWED

Except as otherwise specifically provided in a Solicitation, Submittals that are incomplete or conditioned in any way, contain erasures, alternatives or items not called for, or not in conformity with law, may be rejected as being non-responsive. Any attempt to condition a Submittal by inserting exceptions to the Solicitation or any conditions, qualifications or additions that vary its terms may result in rejection of the Submittal. The City may reject any submittal containing a material deviation from the Solicitation.

1.09 CORRECTION OF AMBIGUITIES AND OBVIOUS ERRORS

- A. The City reserves the right to correct obvious errors in Supplier's Submittal. In this regard, if the unit price does not compute to the extended total price, the unit price shall govern.
- B. Supplier shall notify the City of Tacoma Procurement and Payables Division in writing of any ambiguity, conflict, discrepancy, omission or other error in a Solicitation no later than five business days prior to the submittal deadline.
 - 1. For solicitations conducted in SAP Ariba, Supplier shall notify the City of Tacoma Procurement and Payables Division on the message board of the event.
 - 2. For all other solicitations, Supplier shall notify the contract person listed in the Solicitation.
- C. The City will make necessary modifications by addendum.
- D. Supplier is responsible for identifying ambiguities, conflicts, discrepancies, omissions or other errors in the Solicitation prior to providing its Submittal or the ambiguity, conflict, discrepancy, omission, or other error is waived. Any Submittal that includes assumed clarifications and/or corrections without the required authentication of the same is subject to rejection.

1.10 WARRANTIES/GUARANTEE

- A. Suppliers warrant that all items, including services, as applicable:
 - 1. Are merchantable.
 - 2. Comply with the City's latest drawings and specifications.
 - 3. Are fit for the City's intended use.
 - 4. Will be performed according to the skill and care required by customarily accepted good practices and procedures followed by service providers rendering the same or similar type of service.
 - 5. Are new and unused unless otherwise stated.
 - 6. Comply with all applicable safety and health standards established for such products by the Occupational Safety and Health Administration (OSHA), Washington Industrial Safety and Health Act (WISHA) and/or Consumer Products Safety Act (CPSA), and all other applicable state and federal laws or agency regulations.
 - 7. Are properly packaged and contain appropriate instructions or warnings, including applicable MSDS sheets.

1.11 PATENTS, TRADEMARKS AND COPYRIGHTS

Suppliers warrant that equipment and/or materials furnished, including software, do not infringe on any patent, trademark or copyright, and agree to indemnify, defend and hold harmless, the City in the event of any infringement or claim thereof.

1.12 DELIVERY OF SUBMITTALS TO THE CITY'S PROCUREMENT AND PAYABLES DIVISION

- A. Submittal packages must be received by the City's Procurement and Payables Division in SAP Ariba (unless another form of delivery is stated), prior to the scheduled time and date stated in the Solicitation.
- B. Supplier is solely responsible for timely delivery of its Submittal.
- C. Submittals received after the time stated in the solicitation will not be accepted.
- D. For purposes of determining whether a Submittal has been timely received in SAP Ariba, the City's Procurement and Payables Division will rely on the submittal clock in SAP Ariba.

1.13 SUBMITTAL IS NON-COLLUSIVE

Supplier acknowledges that by its delivery of a Submittal to the City in response to a Solicitation, it represents that the prices in such Submittal are neither directly nor indirectly the result of any formal or informal agreement with another Supplier.

1.14 PARTNERSHIPS

The City will allow firms to partner in order to respond to a Solicitation. Multiple suppliers may team under a Prime Supplier's Submittal in order to provide responses to all sections in a single submission; however, each Supplier's participation must be clearly delineated by section. The Prime Supplier will be considered the responding vendor and the responsible party at contract award. All contract negotiations will be conducted only with the Prime Supplier. All contract payments will be made only to the Prime Supplier. Any agreements between the Prime Supplier and other companies will not be a part of the Contract between the City and the Prime Supplier. The City reserves the right to select more than one Prime Supplier.

1.15 WITHDRAWAL OF SUBMITTALS

- A. Prior to Submittal Deadline. Submittals may be withdrawn (including in SAP Ariba) prior to the scheduled submittal deadline.
- B. After Submittal Deadline. No Submittal can be withdrawn after having been opened before the actual award of the contract, unless the award is delayed more than 90 calendar days beyond the date of opening. If a delay of more than 90 calendar days does occur, Supplier must submit written notice to the City purchasing manager that Supplier is withdrawing its submittal.

1.16 ACCEPTANCE OF SUBMITTALS

- A. If the solicitation announcement so states, submittals, unless previously withdrawn, will be read aloud, irrespective of any irregularities or informalities in such submittal, at the time and place specified in the solicitation announcement.
- B. All submittals must remain open for acceptance by the City for a period of at least 90 calendar days from the submittal deadline.

1.17 RIGHT TO REJECT

- A. The City of Tacoma reserves the right to reject any and all submittals, waive minor deviations or informalities, supplement, amend, reduce or otherwise modify the scope of work or cancel the solicitation, and if necessary, call for new submittals.

1.18 RESERVED RIGHTS

- A. By providing a submittal in response to a City solicitation, Supplier acknowledges and consents to the below City rights and conditions. With regard to this procurement process, the City reserves, holds without limitation, and may exercise, at its sole discretion, the following rights and conditions:
 - 1. To terminate the procurement process or decide not to award a contract as a result thereof by written notice to the Suppliers for any reason whatsoever with or without substitution of another solicitation.
 - 2. To waive any defect, technicality, or any other minor informality or irregularity in any submittal, or any other response from Suppliers.
 - 3. To issue addenda for any purpose including:
 - a. To make minor or major changes or alterations to the evaluation, selection and/or performance schedule(s) for any events associated with a procurement.
 - b. To supplement, amend, reduce, cancel, or otherwise modify a Solicitation, including but not limited to modifications to the description of services and/or products contained in the solicitation, by omitting services/products and/or including services/products.
 - 4. To request clarifications, additional information, and/or revised Submittals from one or more Suppliers.
 - 5. To conduct investigations with respect to the qualifications and experience of Supplier(s), including inspection of facilities and to request additional evidence to support any such information.

6. To eliminate any Supplier that submits an incomplete or inadequate response, or is non-responsive to the requirements of a Solicitation, or is otherwise deemed to be unqualified during any stage of the procurement process.
7. To select and interview a single finalist or multiple finalists to further the City's evaluation of Submittals provided in response to a Solicitation. The City may, in its sole and exclusive discretion as to what is in the City's best interest, elect not to conduct interviews of any or all Suppliers in connection with a solicitation process.
8. Except in the case of Requests for Bids, to negotiate any rate/fee offered by a Supplier. The City shall have the sole right to make the final rate/fee offer during contract negotiations. If the selected Supplier does not accept the City's final offer, the City may, in its sole discretion discontinue contract negotiations and commence negotiations with another Supplier, except as otherwise provided in Chapter 39.80, RCW.
9. To select and enter into a Contract with one or more Suppliers whose Submittal best satisfies the interests of the City and is most responsive, in the sole judgment of the City, to the requirements of a Solicitation.
10. To award by line item or group of line items.
11. To not award one or more items.
12. To issue additional or subsequent solicitations.
13. To seek partnerships between one or more Suppliers.
14. Request additional related products and services from the selected Supplier(s) as necessary throughout the term of the Contract.
15. Negotiate costs or fees in the event of new legislation or regulatory changes, or issuance of related compliance guidance, technology enhancements, and innovative solutions.
16. In the event the City receives questions concerning a Solicitation from one or more Suppliers prior to the deadline for response, the City reserves the right to provide such questions, and the City's responses, if any, to all Suppliers.
17. If an award is made and, prior to entering into a contract, subsequent information indicates that such award is not in the best interest of the City, the City may rescind the award without prior notice to Supplier and either award to another Supplier or reject all submittals or cancel this solicitation.
18. To cancel award of a contract at any time before execution of the Contract by both parties if cancellation is deemed to be in the City's best interest. In providing a submittal, Suppliers agree that the City is not liable for any costs or damages for the cancellation of an award. Supplier assumes the sole risk and responsibility for all expenses connected with the preparation of its submittal.
19. To add additional City departments or divisions to the Contract or develop a separate Contract with the Supplier subject to all terms, conditions and pricing of the original Contract
20. To take any other action affecting a Solicitation or a procurement process that is determined to be in the City's best interests.

1.19 SUBMITTAL CLARIFICATION

Suppliers may be asked to clarify their Submittal. This action shall not be construed as negotiations or any indication of intentions to award. If called upon, Supplier must respond to such requests within two business days or the timeframe set forth by the City in its request for clarification. Supplier's failure to respond to such a request may result in rejection of its Submittal.

1.20 EVALUATION OF SUBMITTALS

- A. The City of Tacoma reserves the right to award to the lowest and best responsible Supplier(s) delivering a Submittal in compliance with the Solicitation, provided such Submittals are reasonable and are in the best interest of the City to accept. The City may use a number of criteria for determining award, including evaluation factors set forth in Municipal Code Section 1.06.262. Suppliers who are inexperienced or who fail to properly perform other contracts may have their submittal rejected for such cause.

1. Evaluation Factors. In addition to the factors set forth in Municipal Code Section 1.06.262, the following may be used by the City in determining the lowest and best responsible Submittal:
 - a. Compliance with a Solicitation and with applicable City requirements, including by not limited to, the City's Ethics Code and its Small Business Enterprise and Local Employment and Apprenticeship programs.
 - b. Submittal prices, listed separately if requested, as well as a lump sum total (if the unit price does not compute to the extended total price, the unit price shall govern).
 - c. The total cost to the City, including all applicable taxes, may be the basis for contract award.
 - d. Time of delivery and/or completion of performance (delivery date(s) offered).
 - e. Warranty terms.
 - f. Quality of performance of previous contracts or services, including safety requirements and past compliance with the City's Ethics Code.
 - g. Previous and existing compliance with laws and ordinances relating to contracts or services.
 - h. Sufficiency of financial resources.
 - i. Quality, availability, and adaptability of the supplies or services to the particular use required.
 - j. Ability to provide future maintenance and service on a timely basis.
 - k. Location of nearest factory authorized warranty repair facility or parts dealership.
 - l. Ability, capacity, experience, stability, reputation, integrity, character, judgment, technical qualifications, and skill to perform the contract or provide the services required.
2. Prompt Payment Discount. Payment discount periods of 20 calendar days or more, if offered in the submittal, will be considered in determining the apparent lowest responsible submittal. Discounts will be analyzed in context of their overall cumulative effect.
 - a. ePayable/Credit Card Acceptance. Submittals offering ePayable/Credit card acceptance may be compared against submittals offering a prompt payment discount to evaluate the overall cumulative effect of the discount against the advantage to the City of the ePayable/Credit card acceptance, and may be considered in determining the apparent lowest responsible submittal.
3. All other elements or factors, whether or not specifically provided for in a Solicitation, which would affect the final cost to, and the benefits to be derived by, the City, may be considered in determining the award of a Contract. The final award decision will be based on the best interests of the City.

1.21 CONTRACT OBLIGATION

- A. The Submittal contents of the successful Supplier will become contractual obligations if a Contract ensues.
- B. In the event the City of Tacoma determines to award a Contract, the selected Supplier(s) may be requested to execute Additional Contract Documents.
- C. Supplier shall register with the City of Tacoma on the SAP Ariba Network and be enabled for transactions upon request by the City.
- D. Suppliers may propose amendments to City's Contract documents or to these Terms and Conditions, but the City retains the right to accept or reject proposed amendments.
- E. No costs chargeable for work under the proposed Contract may be incurred before mutual acceptance and execution as directed.

1.22 AWARD

The City reserves the right to award Contracts for any or all items to one or more Suppliers in the best interests of the City.

1.23 SUPPLIER'S REFUSAL TO ENTER INTO CONTRACT

Any Supplier who refuses to enter into a Contract after it has been awarded to the Supplier will be in breach of the agreement to enter the Contract, and Supplier's certified or cashier's check or bid bond, if any, shall be forfeited.

1.24 LEGAL HOLIDAYS

- A. The City of Tacoma observes the following holidays, which shall apply to performance of all contracts:

New Year's Day	January 1
Martin Luther King's Birthday	3rd Monday in January

Washington's Birthday	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday of November
Day after Thanksgiving	4th Friday of November
Christmas Day	December 25

- B. When any of these holidays occur on Saturday or Sunday, the preceding Friday or the following Monday, respectively, is a legal holiday for the City of Tacoma.

1.25 CONTRACT TERM

All services shall be satisfactorily completed and all deliverables provided by the termination date stated, and the Contract shall expire on said date unless mutually extended in writing by the parties.

1.26 EXTENSION OF CONTRACT

Contracts shall be subject to extension at City's sole discretion.

1.27 TERMINATION AND SUSPENSION

- A. Supplies. The City reserves the right to terminate a Contract at any time upon prior written notice to Supplier. Upon the effective date of termination specified in such notice, and payment by the City, all conforming supplies, materials, or equipment previously furnished hereunder shall become its property.
- B. Services. The City may terminate a Contract at any time, with or without cause, by giving 10 business days written notice to Supplier. In the event of termination, all finished and unfinished work prepared by Supplier pursuant to the Contract shall be provided to the City. In the event City terminates the Contract due to the City's own reasons and without cause due to Supplier's actions or omissions, the City shall pay Supplier the amount due for actual work and services necessarily performed under the Contract up to the effective date of termination, not to exceed the total compensation set forth in the Contract.
- C. Suspension. For either services or supplies, the City may suspend a Contract, at its sole discretion, upon three business days' written notice to Supplier. Such notice shall indicate the anticipated period of suspension. Any reimbursement for expenses incurred due to the suspension shall be limited to Supplier's actual expenses and shall be subject to verification. Supplier shall resume performance of services under the Contract without delay when the suspension period ends.
- D. Termination or suspension of a Contract by City shall not constitute a waiver of any claims or remaining rights the City may have against Supplier relative to performance under a Contract.

1.28 DEFAULT/BREACH

In the event of material default or breach by Supplier on any of the conditions of a Contract, Supplier agrees that the City may, at its election, procure the goods or services from other sources, and may deduct from the unpaid balance due Supplier, or collect against the bond or security (if any), or may invoice and recover from Supplier all costs paid in excess of the price(s) set forth in the Contract.

- A. Supplies. The City at any time by written change order or other form of written contract amendment may make reasonable changes in the place of delivery, installation, or inspection, the method of shipment or packing, identification and ancillary matters that Supplier may accommodate without substantial additional expense.
- B. Services. The City shall have the right to make changes within the general scope of services and/or deliverables upon execution in writing of a change order or other written form of contract amendment. If the changes will result in additional work effort by Supplier the City agrees to reasonably compensate Supplier for such additional effort up to the maximum amount specified in the Contract or as otherwise provided by Tacoma Municipal Code. Any new services accepted by the City may be added to the Contract and/or substituted for discontinued services. New services shall meet or exceed all requirements of original award.
- C. Expansion Clause. A Contract may be further expanded in writing to include other related services or products normally offered by Supplier, as long as the price of such additional services or products have a profit margin equal to or less than that in place at the time of original submittal. Such additions and prices will be established in writing. New items not meeting these criteria will not be added to the Contract. Supplier profit margins are not to increase as a result any such expansion.

1.29 SCOPE OF SERVICES

Supplier agrees to diligently and completely perform the services required by a Contract.

1.30 SERVICES DO NOT INCLUDE PUBLIC WORK

Unless otherwise stated, the services and/or work contracted for herein exclude public work and improvements as defined in RCW 39.04, as that statute may hereafter be amended.

1.31 PREVAILING WAGES

- A. If federal, state, local, or any applicable law requires Supplier to pay prevailing wages in connection with a Contract, and Supplier is so notified by the City, then Supplier shall pay applicable prevailing wages.
- B. If applicable, a Schedule of Prevailing Wage Rates for the locality or localities where the Contract will be performed is attached and made of part of the Contract by this reference. If prevailing wages do apply to the Contract, Supplier and its subcontractors shall:
 - 1. Be bound by the provisions of Chapter 39.12 RCW, as amended, relating to prevailing wages and usual fringe benefits,
 - 2. Ensure that no worker, laborer or mechanic employed in the performance of any part of the Contract shall be paid less than the prevailing rate of wage specified on that Schedule, and
 - 3. Immediately upon award of the Contract, contact the Department of Labor and Industries, Prevailing Wages section, Olympia, Washington, to obtain full information, forms and procedures relating to these matters. Per such procedures, a Statement of Intent to Pay Prevailing Wages must be submitted by Contractor and its subcontractors to the City, in the manner requested by the City, prior to any payment by the City hereunder, and an Affidavit of Wages Paid must be received or verified by the City prior to final Contract payment.

1.32 CONTRACT PRICING

- A. Submitted prices shall include costs of submittal preparation, servicing of the account, all contractual requirements during contract period such as transportation, permits, insurance costs, bonds, labor, wages, materials, tools, components, equipment, and appurtenances necessary to complete the work, which shall conform to the best practice known to the trade in design, quality, material, and workmanship.
- B. Surcharges of any type will not be paid.
- C. If applicable, related additional products and corresponding services of benefit to the City not specifically required in a solicitation, but which Supplier offers to provide, may be included with the submittal. Supplier may request to add new products if the City approves them and Supplier can demonstrate the pricing is from the same pricing structure/profit margin.
- D. Unless specifically stated otherwise, only firm prices will be accepted and all prices shall remain firm during the term of a Contract.
- E. Price increases may at City's discretion be passed along during a contract period if the increase is mandated by statute, or the result of a tariff.
- F. By submitting prices, Supplier warrants prices equal to or better than the equivalent prices, terms, and benefits offered by Supplier to any other government unit or commercial customer.
- G. Should Supplier, during the term of a Contract, enter into any other contract, agreement or arrangement that provides lower prices, more favorable terms or greater benefits to any other government unit or commercial customer, the Contract with the City shall thereupon be deemed amended to provide the same price or prices, terms and benefits to the City. This provision applies to comparable products and purchase volumes by the City that are not less than the purchase volumes of the government unit or commercial customer that has received the lower prices, greater benefits, or more favorable terms.
- H. If at any time during the term of the Contract, Supplier reduces prices to other buyers purchasing approximately the same quantities stated on the Contract, Supplier will immediately notify the City purchasing manager of such fact, and the price(s) for future orders under the Contract shall be reduced accordingly.
- I. The City is entitled to any promotional pricing during the Contract period.
- J. Price decreases shall be immediately passed on to the City.

- K. The City reserves the right to increase or decrease the quantities of any item awarded pursuant to the Contract and pay according to the unit prices quoted in the submittal with no adjustments for anticipated profit.

1.33 APPROVED EQUALS WHEN ALTERNATES ARE ALLOWED

- A. Unless an item is indicated as "no substitute," special brands, when named, are intended to describe the standard of quality, performance, or use desired. Equal items will be considered by the City, provided that Supplier specifies the brand and model, and provides all descriptive literature, independent test results, specification sheets, schematic drawings, photographs, product samples, local servicing, parts availability, etc., to enable the City to evaluate the proposed equal. Performance testing in the field may be required.
- B. The decision of the City as to what items are equal shall be final and conclusive. If the City elects to purchase a brand represented by Supplier to be an "equal," the City's acceptance of the item is conditioned on the City's inspection and testing after receipt. If, in the sole judgment of the City, the item is determined not to be an equal, the item shall be returned at Supplier's expense.
- C. When a brand name or level of quality is not stated in Supplier's submittal, it is understood Supplier's submittal shall exactly confirm with those required in the Contract. If more than one brand name is stated in a Solicitation, Supplier(s) must indicate the brand and model/part number to be supplied.

1.34 RISK OF LOSS, SHIPPING AND DELIVERY

- A. Shipping. Prices must be quoted FOB destination (the place of destination as defined in RCW 62A.2-319, as that statute may hereafter be amended), with freight prepaid and allowed (shipping costs included in unit prices), and risk of loss remaining with Supplier until delivery is tendered.
- B. Delivery. Delivery will be to the designated addresses set forth in a Solicitation or as otherwise stated in the Contract. Deliveries shall be between 9:00 a.m. and 3:30 p.m., Monday through Friday only, except Legal Holidays. Failure to make timely delivery shall be cause for termination of the contract or order and return of all or part of the items at Supplier's expense except in the case of force majeure.

1.35 DELIVERY OF PRODUCTS AND PROVISION OF SERVICES – IDLING PROHIBITED

- A. The City of Tacoma has a commitment to reduction of unnecessary fuel emissions and improving air quality by reducing unnecessary air pollution from idling vehicles. Limiting car and truck idling supports cleaner air, healthier work environments, the efficient use of city resources, the public's enjoyment of City properties and programs, conservation of natural resources, and good stewardship practices.
- B. Vehicles and/or diesel fuel trucks shall not idle at the time and location of the delivery to the City of Tacoma for more than three minutes. The City requires contractors to utilize practices that reduce fuel consumption and emission discharge, including turning off trucks and vehicles during delivery of products to the City. Exceptions to this requirement include when associated power is necessary to make a delivery or provide the service, when the engine is used to provide power to another device, and when a running engine is required for proper warm-up and cool-down of the engine.

1.36 PACKING SLIPS AND INVOICES

- A. Each invoice shall show City of Tacoma purchase order number, release number if applicable, quantity, unit of measure, item description, unit price and extended price for each line if applicable, services and deliverables provided if applicable. Line totals shall be summed to give a grand total to which sales tax shall be added, if applicable.
 - 1. For transactions conducted in SAP Ariba, invoices shall be submitted through Ariba.
 - 2. For invoices paid by ACH or by check, unless stated otherwise, invoices shall be electronically submitted by email with corresponding PO number listed in the subject line to accountspayable@cityoftacoma.org.
 - 3. For invoices paid by credit card, invoices shall also display the last name of the cardholder and last four digits (only) of the card number (e.g., Jones/6311). Unless stated otherwise, invoices shall be electronically submitted by email with corresponding PO number listed in the subject line to (do not combine different POs into one invoice or charge) to pcardadmin@cityoftacoma.org.
- B. Any terms, provisions or language in Supplier's invoice(s) that conflict with the terms of the Contract are superseded and shall not apply to the Contract unless expressly accepted in writing by the City.
- C. Packing slips and shipping notices shall be sent to the specific City Division or Department receiving the item(s) at the address stated in City's Solicitation or as otherwise stated in the Contract and include

complete description of items, contents of items if crated or cased, quantity, shipping point, carrier, bill of lading number and City of Tacoma purchase order.

- D. Supplier shall package orders, preferably in environmental friendly packaging such as reduced packaging and recyclable packing materials.

1.37 COOPERATIVE PURCHASING

The Washington State Interlocal Cooperation Act RCW 39.34 provides that other governmental agencies may purchase goods and services based on the Contract with the City in accordance with the terms and prices of the Contract if all parties are agreeable. Each public agency shall formulate a separate contract with Supplier, incorporating the terms and conditions of the Contract with the City of Tacoma. The City shall incur no liability in connection with such contracts or purchases by other public agencies thereunder. It will be Supplier's responsibility to inform such public agencies of the Contract with the City. Supplier shall invoice such public agencies as separate entities.

1.38 TAXES

- A. Unless otherwise stated, applicable federal, state, City, and local taxes shall be included in the submittal and in contract as indicated below. As used herein, the term "taxes" shall include any and all taxes, assessments, fees, charges, interest, penalties, and/or fines imposed by applicable laws and regulations in connection with the procurement of goods and/or services hereunder.
 - 1. Federal Excise Tax. The City of Tacoma is exempt from federal excise tax. The City will furnish a Federal Excise Tax Exemption certificate, if required. If Supplier fails to include any applicable tax in its submittal, then Supplier shall be solely responsible for the payment of said tax.
 - 2. State and Local Sales Tax. The City of Tacoma is subject to Washington state sales tax. It is Supplier's obligation to state the correct sales tax percentage and include the applicable Washington state, city and local sales tax as a separate line item(s) in the submittal.
 - 3. City of Tacoma Business and Occupation Tax. It is Supplier's obligation to include City of Tacoma Business and Occupation tax in the unit and/or lump sum prices submitted; it shall not be shown separately on the submittal. Per Sub-Title 6A of the City of Tacoma Municipal Code, transactions with the City of Tacoma may be subject to the City's Business and Occupation Tax.
- B. Any or All Other Taxes. Any or all other taxes are the responsibility of Supplier unless otherwise required by law. Except for state sales tax, Supplier acknowledges that it is responsible for the payment of all taxes applicable to the Contract and Supplier agrees to comply with all applicable laws regarding the reporting of income, maintenance of records, and all other requirements and obligations imposed pursuant to applicable law.
- C. If the City is assessed, made liable, or responsible in any manner for taxes contrary to the provisions of the Contract, Supplier agrees to hold the City harmless from such costs, including attorney's fees. In the event Supplier fails to pay any taxes, assessments, penalties, or fees imposed by any governmental body, including a court of law, other than those taxes the City is required to pay, then Supplier authorizes the City to deduct and withhold or pay over to the appropriate governmental body those unpaid amounts upon demand by the governmental body. It is agreed that this provision shall apply to taxes and fees imposed by City ordinance. Any such payments shall be deducted from Supplier's total compensation.

1.39 COMPENSATION

- A. The City shall compensate Supplier in accordance with the Contract. Said compensation shall be the total compensation for Supplier's performance hereunder including, but not limited to, all work, services, deliverables, materials, supplies, equipment, subcontractor's fees and all reimbursable travel and miscellaneous or incidental expenses to be incurred by Supplier. Unless stated otherwise the total stated compensation may not be changed without a written change order or other form of contract amendment.
- B. Payment(s) made in accordance with the Contract shall fully compensate Supplier for all risk, loss, damages or expense of whatever nature, and acceptance of payment shall constitute a waiver of all claims submitted by Supplier.

1.40 PAYMENT TERMS

- A. Payment shall be made through the City's ordinary payment process, and shall be considered timely if made within 30 days of receipt of a properly completed invoice. All payments shall be subject to adjustment for any amounts, upon audit or otherwise, determined to have been improperly invoiced.

The City may withhold payment to Supplier for any services or deliverables not performed as required hereunder until such time as Supplier modifies such services or deliverables to the satisfaction of the City.

- B. Invoices will not be processed for payment, nor will the period of cash discount commence, until all invoiced items are received and satisfactory performance of the Contract has been attained. Upon CITY'S request, Supplier shall submit necessary and appropriate documentation, as determined by the CITY, for all invoiced services and deliverables. If an adjustment in payment is necessary due to damage or dispute, the cash discount period shall commence on the date final approval for payment is authorized.

1.41 PAYMENT METHOD – EPAYABLES – CREDIT CARD ACCEPTANCE – EFT/ACH ACCEPTANCE

- A. Payment methods include:

1. EPayables (Payment Plus). This is payment made via a virtual, single use VISA card number provided by the City's commercial card provider. Suppliers accepting this option will receive "due immediately" payment terms. Two options for acceptance are available to suppliers. Both are accompanied by an emailed advice containing complete payment details:
 - a. Straight-through processing (buyer initiated). Immediate, exact payments directly deposited to supplier accounts by the City's provider bank; the supplier does not need to know card account details.
 - b. Supplier retrieves card account through the secure, on-line portal provided via email notifications sent by the City's commercial card provider.
2. Credit card. Tacoma's VISA procurement card program is supported by standard bank credit suppliers and requires that merchants abide by the VISA merchant operating rules. It provides "due immediately" payment terms.
 - a. Suppliers must be PCI-DSS compliant (secure credit card data management) and federal FACTA (sensitive card data display) compliant.
 - b. Suppliers must be set up by their card processing equipment provider (merchant acquirer) as a minimum of a Level II merchant with the ability to pass along tax, shipping and merchant references information.
3. Electronic Funds Transfer (EFT) by Automated Clearing House (ACH). Standard terms are net 30 for this payment method.
4. Check or other cash equivalent. Standard terms are net 30 for this payment method.

- B. The City's preferred method of payment is by ePayables (Payment Plus) followed by credit card (aka procurement card). Suppliers may be required to have the capability of accepting the City's ePayables or credit card methods of payment. **The City of Tacoma will not accept price changes or pay additional fees when ePayables (Payment Plus) or credit card is used.**
- C. The City, in its sole discretion, will determine the method of payment for goods and/or services as part of the Contract.

1.42 NOTICES

Unless otherwise specified, except for routine operational communications, which may be delivered personally or transmitted by electronic mail, all notices required by the Contract shall be in writing and shall be deemed to have been duly given if delivered personally or mailed first-class mail, postage prepaid, to Supplier's registered agent and to the applicable City department representative.

1.43 INDEPENDENT CONTRACTOR STATUS

- A. Supplier is considered an independent contractor who shall at all times perform his/her duties and responsibilities and carry out all services as an independent contractor and shall never represent or construe his/her status to be that of an agent or employee of the City, nor shall Supplier be eligible for any employee benefits. No payroll or employment taxes or contributions of any kind shall be withheld or paid by the City with respect to payments to Supplier. Supplier shall be solely responsible for all said payroll or employment taxes and/or contributions including, but not limited to, FICA, FUTA, federal income tax, state personal income tax, state disability insurance tax and state unemployment insurance tax. If the City is assessed, made liable or responsible in any manner for such taxes or contributions, Supplier agrees to indemnify and hold the City harmless from all costs incurred, including attorney fees.

- B. Unless otherwise specified in writing, Supplier shall provide at its sole expense all materials, working space, and other necessities and instruments to perform its duties under the Contract. Supplier, at its sole expense, shall obtain and keep in force any and all applicable licenses, permits and tax certificates necessary to perform the Contract.

1.44 NONDISCRIMINATION

Supplier agrees to take all steps necessary to comply with all federal, state, and City laws and policies regarding non-discrimination and equal employment opportunities. Supplier shall not discriminate in any employment action because of race, religion, color, national origin or ancestry, sex, gender identity, sexual orientation, age, marital status, familial status, or the presence of any sensory, mental, or physical handicap. In the event of non-compliance by Supplier with any of the non-discrimination provisions of the Contract, the City shall be deemed to have cause to terminate the Contract, in whole or in part.

1.45 FEDERAL, STATE, AND MUNICIPAL LAWS AND REGULATIONS

Supplier shall comply with all federal, state, municipal, and/or local laws and regulations in the performance of all terms and conditions of the Contract. Supplier shall be solely responsible for all violations of the law from any cause in connection with its performance of work under the Contract.

1.46 FEDERAL AID PROJECTS

"The City of Tacoma" in accordance with provisions of Title VI of the Civil Rights Act of 1964, (78 Stat. 252, 42 U.S.C. sections 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, national origin in consideration for an award.

1.47 REPORTS, RIGHT TO AUDIT, PERSONNEL

- A. Reports. Supplier shall, at such times and in such form as the City may reasonably require, furnish the City with periodic status reports pertaining to the services undertaken or goods provided pursuant to the Contract.
- B. Right to Audit. Upon City's request, Supplier shall make available to City all accounts, records and documents related to the scope of work for City's inspection, auditing, or evaluation during normal business hours as reasonably needed by City to assess performance, compliance and/or quality assurance under the Contract or in satisfaction of City's public disclosure obligations as applicable.
- C. Personnel. If before, during, or after the execution of a Contract, Supplier has represented or represents to the City that certain personnel would or will be responsible for performing services pursuant to the Contract, then Supplier is obligated to ensure that said personnel perform said Contract services to the maximum extent permitted by law. Substantial organizational or personnel changes within Supplier's firm are expected to be communicated to City immediately. Failure to do so could result in termination of the Contract. This provision shall only be waived by written authorization by the City, and on a case-by-case basis.

1.48 INSURANCE

- A. During the course and performance of a Contract, Supplier will provide proof and maintain the insurance coverage in the amounts and in the manner specified in the City of Tacoma Insurance Requirements as is applicable to the services, products, and deliverables provided under the Contract. The City of Tacoma Insurance Requirements document, if issued, is fully incorporated into the Contract by reference.
- B. Failure by City to identify a deficiency in the insurance documentation provided by Contractor or failure of City to demand verification of coverage or compliance by Contractor with these insurance requirements shall not be construed as a waiver of Contractor's obligation to maintain such insurance.

1.49 INDEMNIFICATION – HOLD HARMLESS

- A. Supplier agrees to indemnify, defend, and hold harmless the City of Tacoma, its officers, agents and employees, from and against any and all liability which may accrue to or be sustained by the City of Tacoma for any claim, suit or legal action made or brought against the City for the death of or injury to persons (including Supplier's or subcontractor's employees), or damage to property involving Supplier or subcontractor(s) and their employees or agents, or for any other cause arising out of and in connection with or incident to the performance of the Contract, except for injuries or damages caused by the sole negligence of the City. In this regard, Supplier recognizes it is waiving immunity under

Industrial Insurance Law, Title 51 RCW. This indemnification includes attorney's fees and the cost of establishing the right to indemnification hereunder in favor of the City of Tacoma. By Supplier's acceptance of this order, he/she agrees that this subsection has been mutually negotiated.

B. These indemnifications shall survive the termination of a Contract.

1.50 CONFLICT OF INTEREST

No officer, employee, or agent of the City, nor any member of the immediate family of any such officer, employee or agent as defined by City ordinance, shall have any personal financial interest, direct or indirect, in a Contract, either in fact or in appearance. Supplier shall comply with all federal, state, and City conflict of interest laws, statutes, and regulations. Supplier represents that Supplier presently has no interest and shall not acquire any interest, direct or indirect, in the program to which the Contract pertains that would conflict in any manner or degree with the performance of Supplier's services and obligations hereunder. Supplier further covenants that, in performance of a Contract, no person having any such interest shall be employed. Supplier also agrees that its violation of the City's Code of Ethics contained in Chapter 1.46 of the Tacoma Municipal Code shall constitute a breach of Contract subjecting the Contract to termination.

1.51 CITY OWNERSHIP OF WORK/RIGHTS IN DATA/PUBLICATIONS

- A. To the extent that Supplier creates any work subject to the protections of the Copyright Act (Title 17 U.S.C.) in its performance of a Contract, Supplier agrees to the following: The work has been specially ordered and commissioned by the City. Supplier agrees that the work is a "work made for hire" for copyright purposes, with all copyrights in the work owned by City. To the extent that the work does not qualify as a work made for hire under applicable law, and to the extent that the work includes material subject to copyright, Supplier hereby assigns to City, its successors and assigns, all right, title and interest in and to the work, including but not limited to, all copyrights, patent, trade secret and other proprietary rights, and all rights, title and interest in and to any inventions and designs embodied in the work or developed during the course of Supplier's creation of the work.
- B. Supplier shall be solely responsible for obtaining releases and/or licenses for the reproduction, distribution, creation of derivative works, performance, display, or other use of copyrighted materials. Should Supplier fail to obtain said releases and/or licenses, Supplier shall indemnify, defend, and hold harmless the City for any claim resulting there from.

1.52 DUTY OF CONFIDENTIALITY

Supplier acknowledges that unauthorized disclosure of information or documentation concerning the Scope of Work hereunder may cause substantial economic loss or harm to the City. Except for disclosure of information and documents to Supplier's employees, agents, or subcontractors who have a substantial need to know such information in connection with Supplier's performance of obligations under the Contract, Supplier shall not without prior written authorization by the City allow the release, dissemination, distribution, sharing, or other publication or disclosure of information or documentation obtained, discovered, shared or produced pursuant to a Contract.

1.53 DISPUTE RESOLUTION

In the event of a dispute pertaining to a Contract, the parties agree to attempt to negotiate in good faith an acceptable resolution. If a resolution cannot be negotiated, then the parties agree to submit the dispute to voluntary non-binding mediation before pursuing other remedies. This provision does not limit the City's right to terminate.

1.54 GOVERNING LAW AND VENUE

- A. Washington law shall govern the interpretation of the Contract. The state or federal courts located in Pierce County Washington shall be the sole venue of any mediation, arbitration, or litigation arising out of the Contract.
- B. Respondents providing submittals from outside the legal jurisdiction of the United States of America will be subject to Tacoma's City Attorney's Office (CAO) opinion as to the viability of possible litigation pursuant to a contract resulting from this Specification. If it is the opinion of the CAO that any possible litigation would be beyond reasonable cost and/or enforcement, the submittal may be excluded from evaluation.

1.55 ASSIGNMENT

Supplier shall not assign, subcontract, delegate or transfer any obligation, interest or claim to or under the Contract without the prior written consent of the City.

1.56 WAIVER

A waiver or failure by either party to enforce any provision of the contract shall not be construed as a continuing waiver of such provisions, nor shall the same constitute a waiver of any other provision of the Contract.

1.57 SEVERABILITY AND SURVIVAL

If any term, condition or provision herein or incorporated by reference is declared void or unenforceable or limited in its application or effect, such event shall not affect any other provisions hereof and all other provisions shall remain fully enforceable. The provisions of the Contract, which by their sense and context are reasonably intended to survive the completion, expiration or cancellation of the Contract, shall survive termination of the Contract.

1.58 NO CITY LIABILITY

Neither the City, its officials, staff, agents, employees, representatives, or consultants will be liable for any claims or damages resulting from any aspect of this procurement process.

1.59 SIGNATURES

A signed copy of Submittals, Contract documents, including but not limited to contract amendments, contract exhibits, task orders, statements of work and other such Contract related documents, delivered by email or other means of electronic transmission including by using a third party service, which service is provided primarily for the electronic execution of electronic records, shall be deemed to have the same legal effect as delivery of an original signed copy.