

**DINÉ COLLEGE
REQUEST FOR PROPOSALS**

**401(K) PLAN SERVICES
ADMINISTRATION, RECORDKEEPING & INVESTMENTS**

May 1, 2020

I. INTRODUCTION

Diné College is a non-profit post-secondary educational institution chartered by the Navajo Nation Council in 1968. The College is the first tribally controlled and accredited collegiate institution in the United States. Diné College is governed by an eight-member Board of Regents, appointed by the Navajo Nation President and confirmed by the Health Education and Human Services Committee of the Navajo Nation Council. The College serves a predominantly Navajo student population across the 27,000 square miles of the Navajo Nation that spans the states of Arizona, New Mexico, and Utah. The College offers various Certificates as well as Associate and Bachelor degree programs in the areas important to the economic, political, environmental, and social development of the Navajo Nation.

Diné College sponsors the Diné College Governmental Retirement Plan (the “Plan”) for the benefit of its employees and is seeking proposals from qualified firms to provide administration, recordkeeping and fiduciary investment services in relation to the Plan.

The Plan is a governmental tax-qualified retirement plan that includes mandatory employee contributions as well as a 401(k) feature with employer matching contributions. As a governmental retirement program, the Plan is exempt from ERISA and many of the Internal Revenue Code requirements applicable to private sector tax-qualified retirement plans. Despite the governmental status of the Plan, Diné College voluntarily elects to model certain Plan features and administrative practices after ERISA on a voluntary basis, such as ERISA Section 404(c) participant level investment direction and ERISA fee disclosures. The Plan is governed by the Internal Revenue Code and the laws of the Navajo Nation.

The Plan currently holds approximately \$11 million in assets and has approximately 275 eligible participants and approximately 135 terminated participants. The average account balance is \$33,000. Eligible employees make mandatory pre-tax contributions equal to 2.5% of pay, through an employer pick-up arrangement. Eligible employees also may make pre-tax and/or Roth elective deferrals into the Plan. The College makes employer matching contributions of up to 4½ % of pay, and has the ability to make employer discretionary contributions that are not tied to employee elective deferrals. The Plan operates with a 3-year vesting schedule. The Plan offers certain in-service withdrawal features and does not permit participant loans.

The College’s Finance, Audit and Investment Committee serves as the Trustee of the Plan, and the Director of Human Resources has been given authority to carry out the duties of the Plan Administrator on behalf of the College.

Diné College is seeking proposals from qualified firms for third party administration, recordkeeping and investment services, including communication and education services, for the Plan. The College expects to engage an investment provider who will offer fiduciary investment

advisory services to the Plan Administrator and Trustee, free from conflicts and pursuant to a level fee arrangement.

II. SCHEDULE

Questions regarding this RFP may be directed to Diné College's Director of Human Resources, Merle Dayzie, via email at mtdayzie@dinecollege.edu. Questions will be evaluated for relevancy to the College's selection process. If the College determines that a question is sufficiently addressed within the RFP, that question will not be answered. If the College determines that answering a particular question will improve the quality of the responses provided, the question and the College's response will be provided to all potential bidders. No new questions will be accepted after 12:00 PM, Mountain Standard Time, on May 29, 2020.

Sealed proposals for the services requested in this RFP **will be received until June 5, 2020** at 5:00 PM, Mountain Standard Time. Proposal must be identified as being "Bid for 401(k) Plan Services" on the outside of the envelope. Proposals shall include ten (10) hard copies and one (1) electronic version of all materials. Proposals shall be mailed or delivered to:

Diné College – 401(k) Plan RFP Committee
c/o Merle Dayzie, Director of Human Resources
P.O. Box C-07
Tsaile, AZ 86556

Thereafter, the College may contact bidders with questions, clarifications, or changes. The College expects to conduct in-person interviews with the finalists during the month of June 2020 and expects to select a successful bidder on or about July 2020. Contracts will be finalized immediately thereafter.

III. PROJECT AND SCOPE OF SERVICES

Diné College is requesting proposals from qualified firms to provide services in relation to the Plan in accordance with applicable law. More specifically, the College requests that bidders provide the following services.

1. Recordkeeping and administration services in relation to the Plan.
2. Trust accounting services in relation to assets of the Plan.
3. Administrative system capable of performing daily account valuation, transaction processing and recordkeeping.
4. Ability to provide secure electronic access to recordkeeping and administration systems for both the College and participants.
5. System for processing distributions, loans, withdrawals, domestic relations orders, etc.
6. Generation and provision of regular account statements to both participants and the College.
7. Participant support services, including communication and education. This would include on-site visits with participants at least four times per year, as well as follow-up communication to newly-hired employees to explain the default investment option(s), give out provider contact information, answer questions, and address any problems or confusion regarding Plan enrollment.

8. Toll-free telephone number with adequate incoming lines for participant inquiries with appropriate hours of operation.
9. Fiduciary investment advice regarding, and access to, the investment fund array to be offered to Plan participants, including a broad array of investment products across all global markets, asset classes, and styles, including mutual funds.
10. Fiduciary investment advice regarding, and access to, acceptable default investment fund offerings.

The scope of requested services are included as part of the discussion in the following Proposal Requirements section.

IV. PROPOSAL REQUIREMENTS

At a minimum, proposals must contain the following information. A proposal that does not contain this information shall be deemed non-responsible and is subject to rejection. All proposals submitted to Diné College in response to this RFP must be valid for a minimum of ninety (90) days from the date of submission.

Proposers should identify the service request(s) to which they are responding [Recordkeeping, Third Party Administrator, Investment Advisor] and tailor their responses to the following information as necessary. If a Proposer is submitting a response in connection with another firm, please make sure your proposals are clearly cross referenced and submitted to the College together as one coordinated response.

No firm should submit more than one response to this RFP. For example, an investment advisor shall not submit proposals with more than one recordkeeper.

ORGANIZATION AND HISTORY

1. Please provide the name(s), title(s), address(s), telephone, and fax number(s) of the individual(s) responsible for responding to this request.
2. Provide a brief overview of your company and history of your organization. Please describe any parent/subsidiary/affiliate relationships.
3. Are you currently participating in any alliances or joint marketing efforts? If so, please describe in detail.
4. What percentage of the firm's business is devoted to servicing retirement plans? Please provide the same information for the individuals, relationship managers, advisors who would work with Diné College.
5. What is the average number of clients managed by the advisor?
6. What are your client retention statistics for each of the last three years?
7. Indicate how many years your company has been active in the defined contribution business, i.e., 401(k), profit sharing, etc.
8. Indicate the total value of assets for which you provide services.
9. Complete the following chart to indicate how many defined contribution plans you currently service.

Number of Employees	Corporate Plans	Government Plans	
		Tribal	Non-Tribal
Under 100			
100-499			
500-999			
1,000-4,999			
Over 5,000			
Total			

10. Please provide a breakdown of the number of corporate clients you service by plan type:

Corporate Client Breakdown			
Type	# Plans	# Participants	Total Assets
401(k)			
Profit Sharing			
Money Purchase			
403(b)			
Total			

11. Please provide a breakdown of the number of governmental clients you service by plan type:

Governmental Client Breakdown						
Type	Tribal			Non-Tribal		
	# Plans	# Participants	Total Assets	# Plans	# Participants	Total Assets
401(k)						
Profit Sharing						
Money Purchase						
403(b)						
457(b)						
Total						

INSURANCE AND BONDING

1. Does your firm have errors and omissions insurance, directors and officers liability insurance, and fiduciary liability insurance? Who are the carriers and what are the limits of coverage?
2. Do any of your insurance policies have a self-insured retention (SIR)? If so, what are your SIR limits?
3. Is your insurance affected by contracts with plan sponsors who have sovereign immunity (such as being considered an “outside business activity” subject to higher premiums or reduced limits)? If so, what are the applicable limits of coverage?

4. Are there exceptions in your insurance policy for contracts subject to Tribal law or Tribal court jurisdiction?
5. Is your firm and/or individual advisors bonded? If so, what is the bond amount?

CLIENT SERVICE/QUALITY ASSURANCE

1. Please describe the team that would deal directly with us on an ongoing basis. Indicate staff size, experience, and turnover rates. Please specifically confirm whether the individuals involved in the proposal would be the same individuals working with the College on an ongoing basis.
2. Please address whether you provide services as an ERISA Section 3(21) advisor or an ERISA Section 3(38) advisor, or both. If there are differences in your pricing relating to the level of service performed, please detail in the Expenses section of your response.
3. What is the minimum number of onsite meetings with employees provided for in your proposal? Please note that the successful candidate will be expected meet with the Plan Administrator and Trustee and to conduct employee education and enrollment meetings at least four times per year.
4. Please provide detailed information about onsite visits for meetings with the College and for meetings with the employees. Successful candidates will be expected to develop and deliver appropriate educational presentations for employees who attend the employee educational meetings.
5. Describe the training program for your staff.
6. Describe the procedures for monitoring:
 - a. Client satisfaction
 - b. Participant satisfaction
7. What checks and balances do you have in place to assure accuracy in Plan records, including participant account data?

RECORDKEEPING/ADMINISTRATION

1. Please separately detail administrative and recordkeeping services. You must specifically identify any subcontractors that you anticipate using to provide the proposed services.
2. Describe in detail how your system processes contributions (employee and employer contributions).
3. Describe in detail how your system processes:
 - a. In-service withdrawals
 - b. Hardship withdrawals
4. Describe in detail how your system processes:
 - a. Lump-sum distributions
 - b. Partial lump-sum distributions
 - c. Rollover to another plan or IRA

5. Describe in detail how your system processes Required Minimum Distributions
6. Describe in detail how your system processes transfer/exchanges (including frequency/limitations). Are confirmations sent?
7. Describe in detail how you administer Qualified Domestic Relations Orders (QDRO). Please note that Tribal law and Tribal court requirements apply under the College's Plan.
8. What checks and balances do you have in place to assure transactional integrity?
9. Do you prepare 1099R tax forms and filings?
10. Will you record non-proprietary investment vehicles, if applicable?

COMPLIANCE SERVICES

1. Do you record keep/administer individually designed Plan documents? If so, describe how you map individually designed Plan documents to your systems.
2. Describe your capabilities for the following:
 - a. IRC 415(c) Limitations
 - b. Monitoring of elective deferrals (402(g))
3. How do you address violations for any of the testing covered in question 2?
4. How will you ensure that our plan remains in compliance?
5. How will you ensure that your recordkeeping system complies with all regulations?

REPORTING

1. Describe the standard client reporting package that you would provide, including information and frequency.
2. Describe any customized or ad hoc reporting capabilities.
3. Describe your standard participant level statements (provide examples).
4. Describe your customization capabilities for participant level statements.
5. What is the standard timeframe for providing each report after the reporting period ends?

VOICE RESPONSE SYSTEM (VRS), CALL CENTER AND INTERNET ACCESS

1. Describe the services available through your voice response system, call center and your participant website.
2. How are participant-initiated transactions processed through VRS, call center and the participant website? Are confirmations sent?
3. What are the standard hours of operation for any call center personnel?
4. Is there a help or chat feature integrated into your participant website?
5. Are there any transactions that cannot be processed through the voice response system, the call center or the participant website?
6. Are the menus for the participant service options easy for the participants to use? Please describe the structure in detail, including screen shots of the participant website.

7. Do you provide reporting on participant level transactions to the plan sponsor (usage information)?
8. Describe your process for integrating Plan changes into the information available through the call center and participant website. How often are your participant communication systems updated?

COMMUNICATION AND EDUCATION

1. Describe in detail how you handle enrollments.
2. Identify the key elements provided as part of a standard communication and education program package.
3. Describe separately your initial and outgoing communication and education program (including printed material, visits, training, etc.).
4. Can material be customized? The College will expect all participant level information to be customized to the Plan and consistent with the Plan's governmental status.
5. Do you create all your communication and education materials in house or through third parties?
6. Does your organization provide any services (e.g., personal questionnaires, software, etc.) that would help individual participants with retirement readiness and financial planning?
7. Please describe all investment advice programs available in your program (e.g., internet products, call center products, seminars, one-on-one advice and paper-based advice). Provide samples of initial enrollment and ongoing communication and educational materials. Please provide costs for services, if separate.

CONVERSIONS

1. Explain your conversion process, including timeframe.
2. Is a "blackout" period required? If yes, what is restricted or not available during that time?
3. What involvement will be required by the plan sponsor during the conversion process?
4. How are investments handled during the conversion process?
5. How does your system handle conversion/set-up or pre-existing loans from another recordkeeping system?

SYSTEM CAPABILITIES AND HARDWARE

1. Describe the hardware platform and software you use to record keep and administer defined contribution plans, including trust accounting system.
2. Was the software developed internally, leased or bought from another provider? Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, client needs, etc.?
3. How often is the system upgraded?
4. Describe the methods utilized, and frequency of utilization, to locate any software or coding issues in your system.

5. Describe any on-line capabilities that your system provides.
6. Does the system allow for plan sponsor customization/limits such as:
 - a. Transfer frequency
 - b. Minimum/maximum contribution percentages
 - c. Withdrawal frequency
 - d. Investments election changes

INVESTMENTS

1. Describe any model portfolio, target date, risk-allocation platform, and other specialized investment options available and any restrictions/costs related to such options.
2. Diné College voluntarily models the Plan's investment structure after ERISA Section 404(c). Explain how you assist your clients with Section 404(c) compliance.
3. Describe the universe of funds available to your clients and in particular your views on the use of index funds in the retirement plan arena.
4. Describe your views on the use of passively and actively managed investment funds in 401(k) plans.
5. Please provide a sample investment array for our Plan based on the information in this RFP, including:
 - a. Fund name
 - b. Inception Date
 - c. The name of the investment/portfolio manager(s)
 - d. The tenure of the manager(s)
 - e. The investment style focus
 - f. The expense structure (loads, load waivers, management fees, 12b-1 fees, etc.)
 - g. The comparative short-term/long-term index(s) used by the manager
 - h. Withdrawal provisions (including restrictions on transfers)
6. Describe the share classes available to our Plan. (Our expectation is R shares or institutional shares)
7. What is the procedure for changing funds when they fail to conform to the Trustee's investment policy?
8. Disclose all investment expenses, commissions, fees, rebates, and revenue-sharing arrangements associated with all investment offerings. Keep in mind that the College desires to engage an advisor on a level fee basis, and not on an asset-based fee arrangement.
9. If you do receive compensation, fees, revenue-sharing, or other economic benefit, are those monies then used to reduce our costs?
10. Please describe all investment advice programs available in your program (e.g., internet products, call center products, seminars, one-on-one advice, and paper-based advice).

Provide samples of initial enrollment and ongoing communication and educational materials. Please provide costs for participant education services, if separate.

11. Do you offer fiduciary investment advice to employees or offer a fiduciary advisor service that participants may elect? If so, please provide details.

EXPENSES

1. Please attach a schedule of expenses covering each of the services and activities identified in your response. Please identify if each expense is:
 - a. One-time or ongoing
 - b. Breakpoint impacted, performance adjusted or discount oriented
 - c. Absorbed in determining the daily share/unit value (i.e., deducted from earnings/assets)
 - d. Guaranteed (duration of guarantee)
2. In addition to the expense schedule, please respond specifically to the following:
 - a. What are any start-up/conversion costs?
 - b. For how long will you guarantee specific expenses?
 - c. Describe what plan consulting services are included and related hourly charges and out-of-pocket expenses?
 - d. Does your standard service agreement require any termination fees or payment for time periods beyond the termination of services (such as payment through the end of a calendar quarter)?

CONTRACTING REQUIREMENTS:

1. The successful bidder will be required to enter into a written contract with Diné College. **The contract negotiation will include the College's requirement for having disputes resolved in accordance with the laws of the Navajo Nation, in the Navajo Nation Courts.** To be considered for this RFP, each bidder must indicate whether they agree to the College's standard dispute resolution language or include within the response to this RFP alternative language that is acceptable to the bidder. Following is Diné College's standard dispute resolution clause for contracts.

Any dispute arising out of the Agreement between the parties shall be resolved by arbitration procedures set forth in the Navajo Sovereign Immunity Act, as amended, at 1 N.N.C. §554J and §554K, and as provided for in the Navajo Nation Arbitration Act, as amended, at 7 N.N.C. §§1101 et seq. This arbitration shall be the sole and exclusive remedy for any dispute or controversy arising out of this Agreement. Notice of intent to invoke arbitration shall be filed in strict compliance with the notice requirements of the Navajo Sovereign Immunity Act, at 1 N.N.C. §555. Any award against the College shall be in strict conformance with the provisions of 1 N.N.C. §554 K 1-6. The laws of the Navajo Nation shall exclusively govern the interpretation of the arbitration provisions set forth herein and the arbitration procedures conducted pursuant thereto. Nothing set forth in this arbitration provision or any provision in this Agreement shall be considered a waiver, express or implied, of the sovereign immunity of the Navajo Nation, except to the limited extent provided for in the Navajo Sovereign Immunity Act, as amended, at 1 N.N.C. §§551 et. seq.

2. The successful bidder will be required to carry all appropriate insurance, such as professional liability and errors and omissions coverages, and shall provide proof of such coverage. Bidders should make sure the Insurance and Bonding questions listed above are answered in full.
3. The successful bidder must not engage in discriminatory conduct.
4. The successful bidder will be required to complete a qualification and debarment certification in connection with the execution of a contract. To be considered for this RFP, each bidder must include in their response a representation that they are not barred, suspended, or otherwise prohibited from professional practice by any federal or state agency. Bidders also must disclose pending litigation and/or agency actions against the firm or individual representatives of the firm.

REFERENCES:

1. Please provide 3-4 recommendation letters supporting your services including their names, addresses, and contact numbers of current clients you have worked in partnership with for at least 2 years or more.
2. **If possible, please provide at least one of the above requested recommendation letters from a tribal client.**

V. CONTRACTING PREFERENCE

The Navajo Business Opportunity Act (NBOA) states that it is the intent of the Act to grant first opportunity and contracting preference to qualified Navajo-owned or Indian-owned businesses for all contracts, subcontracts, grants and subgrants issued by public and private entities within the Navajo Nation. 5 NNC § 201E.

Accordingly, Diné College provides contracting preference to Navajo-owned businesses and Indian-owned businesses submitting proposals. Please provide documentary evidence of enrollment/membership in a federally recognized Indian Tribe. To be eligible as an Indian-owned business, the firm must be at least 51% Indian-owned and controlled with documentation to show such.

The successful firm will be selected in accordance with NBOA mandates and Diné College's procurement and bid policies as applicable:

Priority Preferences.

1. Any one hundred percent (100%) Navajo-owned and controlled business having its principal place of business on or off the Navajo Nation.
2. Any fifty-one percent (51%) to ninety-nine (99%) Navajo or fifty-one percent (51%) to one hundred percent (100%) other Indian-owned and controlled business or one hundred percent (100%) Navajo Nation owned and controlled economic enterprises having its principal place of business on or off the Navajo Nation.

Bid Opening Procedures. Where there is more than one priority business submitting a bid:

1. All bids submitted by Priority #1 businesses shall be opened first. The award shall be made to the qualified Priority #1 firm with the highest evaluation whose proposal does not exceed the maximum feasible price or cost.
2. If there is no qualified Priority #1 firm, proposals of Priority #2 businesses shall then be opened and the award shall be made to the qualified Priority #2 firm with the highest evaluation whose proposal is less than or equal to the maximum feasible price or cost.
3. If no qualified Priority #1 or Priority #2 firm is entitled to the contract award, proposals of all other firms shall be opened, subject to the same specifications, qualifications and maximum feasible price or cost. The award shall be made to the qualified firm with the highest evaluation whose proposal does not exceed the maximum feasible price or cost.

VI. ADDITIONAL INFORMATION

The College reserves the right to accept or reject any proposal submitted in connection with this RFP. This RFP does not commit Diné College to award a contract or pay any costs associated with the preparation and presentation of a proposal.

Any and all information submitted in response to this RFP will be the property of Diné College and will not be returned to the submitting bidder or considered to be confidential information.

Diné College reserves the right to revise the selection process and, in its sole discretion, to accept or reject any or all responses to this RFP. Diné College may negotiate with or request additional information from any or all considered bidders. Diné College may waive informalities or irregularities in a proposal.

VI. EVALUATION CRITERIA

The procuring entity shall determine the qualifications of the firms submitting proposal based on qualifications and evaluation criteria established by the College. Proposals submitted by firms deemed non-qualified or non-responsive will not be considered.

- A. Specialized experience in retirement plan investment advisory services and participant education
- B. Experience with similar sized employee and plan populations
- C. Documented experience with Tribal (governmental) plans, including references
- D. Availability and schedule for one on one meetings with participants
- E. Client retention
- F. Acknowledgment of investment advisor's fiduciary status
- G. Fee Proposal, including type of fee and fee guarantee
- H. Agreement with dispute resolution requirements