

THIS IS PRODUCED FOR INFORMATION ONLY. THIS RFP IS CLOSED, AND NO OTHER PROPOSALS WILL BE ACCEPTED.

**ARLINGTON COUNTY SCHOOL BOARD, ARLINGTON VIRGINIA
OFFICE OF THE PURCHASING AGENT
1426 NORTH QUINCY STREET
ARLINGTON, VA 22207**

REQUEST FOR PROPOSALS - THIS IS PRODUCED FOR INFORMATION ONLY. THIS RFP IS CLOSED, AND NO OTHER PROPOSALS WILL BE ACCEPTED.

NO. 73FY08

Sealed proposals will be received in hand in the Office of the Arlington County School Board Purchasing Agent, on 4th Floor, 1426 North Quincy Street, Arlington, VA 22207, until 2:00 pm on the **13th. of May 2008**, for:

403B DEFINED CONTRIBUTION PROGRAM

At time, date, and place above, proposals will be opened.

Information on the scope of services required and Proposal Forms may be obtained upon request from the Purchasing Office, Telephone Number (703) 228-6123 or 6129.

Arlington County School Board reserves the right to reject any and all proposals and to waive any informalities or irregularities in procedure.

RICHARD E. DAVIS, CPPB, CPPO
DIRECTOR/ PURCHASING AGENT
ARLINGTON COUNTY, VIRGINIA

PART I
SECTION I - ADMINISTRATIVE AND CONTRACTUAL INFORMATION

PURPOSE

The purpose and intent of this Request for Proposal (RFP) is to solicit proposals from licensed qualified sources to establish one or more contracts through competitive negotiations associated to provide plan administrative, investment management and employee education services for the 403b defined contribution retirement plan to the employees of Arlington Public Schools.

Please note that if Arlington Public Schools (APS) decides, in its sole discretion, that one vendor is the best approach, it is assumed that the selected vendor will provide all administrative, investment management, and employee education services including providing all compliance related services based on the recently published 403(b) regulations.

If Arlington Public Schools (APS) decides, in its sole discretion, that two to four vendors are the best approach, it is the intent of APS to hire a firm to provide compliance services based on the newly published 403(b) regulations. This firm could be one of the vendors chosen, or an independent TPA firm. Please distinguish services if you partner with one of these firms because the firm may be hired and you may not or vice versa.

Arlington County School Board objectives:

To select one (1) to four (4) vendors to provide 403b plan services to the employees of ACPS with the demonstrated capability to:

Provide eligible employees with a competitive package of investments in order to accumulate retirement benefits;

Provide eligible employees with consistent, quality employee education to encourage them to better utilize the defined contribution plans to meet their retirement goals;

- A. Ensure that plan costs are reasonable and reflect the services provided to plan participants;
- B. Ensure that participants have access to style consistent, top performing investment managers;
- C. Work with providers that will provide timely, responsive customer service to participants and staff responsible for plan administration;
- D. Minimize disruption for current 403b plan participants;
- E. Minimize the administrative burden for APS;
- F. Ensure a minimum standard of credit quality regarding insured products.
- G. Comply with current and future legislative and regulatory requirements, including recently published 403(b) regulations.

PROPOSAL SUBMISSION

All proposals must be received in hand by the Purchasing Agent for the School Board, on the 4th floor, 1426 N. Quincy Street, Arlington, Virginia 22207 no later than 2:00 p.m. on the **13th day of May, 2008**. Six (6) copies of the proposal are required. All proposals must be sealed in a package showing the RFP number, vendor's name and address, and proposal due date on the outside.

PROPOSAL FORMAT

The proposal shall contain a section that describes the services and how they meet the requirements and features presented in Section II. It shall address each item as directly and succinctly as possible, following the sequence of Section II, and including all information specifically requested in that section. Pricing information shall be presented in the format described in Section III.

Specific Proposal Requirements

Proposals should be as thorough and detailed as possible so that the Arlington County School Board may properly evaluate the Offerors' qualifications and ability to meet objectives as outlined in the Scope of Services.

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Proposal Format

Proposals must be submitted on 8-1/2” x 11” paper. Proposals are to be prepared simply and concisely. Elaborate art work, expensive paper, visual, and other presentation aids are not required.

Each copy of the proposal must be bound or contained in binders organized in the sequence and format described and outlined below using TABS as indicated:

TAB I	Proposal Signature Sheet; Executive Summary Minimum Service Requirements; Proprietary Information (if necessary), Exceptions to RFP (if necessary), Signed Insurance Checklist
TAB II	Questionnaire Responses
TAB III	Completed Investment Matrix Spreadsheet
TAB IV	Annual reports and financial statements
TAB V	Sample management reports and participant statements
TAB VI	Sample plan documents and communication materials
TAB VII	Sample contracts

Activity	Date
Release RFP	April 14, 2008
Pre-Proposal Conference	
Deadline for Submission of Questions	April 28, 2008
APS Responds to Questions	May 5, 2008
Deadline for Submission of Proposals	May 23, 2008
Evaluation of Proposals and Selection Process	June, 2008
Interview Finalists, On-site Visits (if appropriate)	Late June, 2008
Award of Contract	July 2008
Negotiations	July 2008
Communication with Employees and IT Development	August – September 2008
Employee Education/Enrollment Meetings	August - November 2008
Effective Date of Program	January 1, 2009

ORAL PRESENTATION

After initial review of the proposals received, Arlington Public Schools may select a set of finalists. Finalists may be asked to make an oral presentation setting forth in detail the methods and resources which the offeror proposes to use in carrying out the required services.

CLARIFICATION OF REQUIREMENTS AND QUESTIONS

Specific technical and contractual questions pertaining to this request for Proposal shall be referred to the following individuals:

Contractual:

Richard E. Davis, CPPO, CPPB
 Director/ Purchasing Agent
 1426 N. Quincy Street
 Arlington, Virginia 22207
 (703) 228-6123

Personnel Services:

Dan Redding
 Director, Employee Relations
 (703) 228-6103

COMPETITIVE SEALED PROPOSAL

This acquisition shall be conducted in accordance with Section 4-102 of Arlington Public Schools Purchasing Resolution

which reads as follows:

"4-102 COMPETITIVE NEGOTIATION"

- (1) **CONDITIONS FOR USE.** When the Purchasing Agent determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to Arlington Public Schools, a contract may be entered into by use of the competitive negotiation.
- (2) **REQUESTS FOR PROPOSALS.** Proposals shall be solicited through a Request for Proposals.
- (3) **PUBLIC NOTICE.** Adequate public notice of the Request for Proposals shall be given in the same manner as provided for competitive sealed bids.
- (4) **RECEIPT OF PROPOSALS.** No proposals shall be handled so as to permit disclosure of the identity of any offeror or the contents of any proposal to competing offerors during the process of negotiation.
- (5) **EVALUATION FACTORS.** The Request for Proposals shall state the relative importance of price and other evaluation factors.
- (6) **DISCUSSION WITH RESPONSIBLE OFFERORS AND REVISION TO PROPOSALS.** As provided in the Request for Proposals, discussion may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award.
- (7) **AWARD.** Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to Arlington Public Schools taking into consideration price and the evaluation factors set forth in the Request for Proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made."

LAWS AND REGULATIONS

It shall be understood and agreed that any and all articles and/or equipment furnished or contract awarded on this proposal shall comply fully with all Local, State and Federal laws and regulations.

OFFEROR CERTIFICATION

Submission of a signed proposal is the respondent vendor's certification that he/she will accept award at the prices and terms contained in his proposal as submitted.

EXCEPTIONS TO SPECIFICATION

Respondent vendors taking exception to any part or section of this RFP shall indicate such exceptions on their proposal. Failure to indicate any exceptions, shall be interpreted as the respondent vendors intent to fully comply with all RFP requirements as written.

INCURRING COSTS

Arlington Public Schools accepts no responsibility for any expense incurred in the proposal preparation and presentation, such expense is to be borne exclusively by the respondent vendors.

STATEMENT OF UNDERSTANDING

Vendors must acknowledge that they have read and understood all outlined points in this RFP. Based on the information provided, Vendors are expected to respond to all attachments with due diligence by providing the requested information in the designated manner. Vendors must carefully detail the manner and degree by which the proposed system meets or exceeds each specification.

Vendors failing to respond to this RFP as prescribed will place themselves at a competitive disadvantage or be subject to disqualification at the discretion of Arlington Public Schools.

Arlington Public Schools deems the performance of a vendor on outstanding contracts to be of critical importance. Therefore, in the evaluation process for contract award, vendors with good performance ratings on existing accounts will be at a decided advantage while vendors with poor performance ratings will be at a decided disadvantage or be subject to disqualification at the discretion of Arlington Public Schools.

EVALUATION PROCESS

Proposals for consideration for this project must contain evidence of the vendor's experience and abilities in the specified area and other disciplines directly related to the proposed work. Unless otherwise stated in this solicitation, all vendors shall provide profiles of the staff to be assigned to the project, references, illustrative examples of similar work performed and any other information which will clearly demonstrate the vendor's expertise in the area of this solicitation.

Vendors must specify in their response that they are able to deliver all items in their proposal in the time frame they have specified in their response.

A selection committee, composed of individuals who collectively have knowledge of technology, facilities, and instruction within the school system, will review and evaluate all responses to this Request for Proposal. It is important that respondents emphasize specific information considered pertinent to the project.

The Selection Committee may request an oral presentation by the firms being judged fully qualified. During this interview and presentation, the Selection Committee will review the cost data submitted by the firms or individuals.

After another review of the scope of work, the Selection Committee may request the fully qualified firms or individuals being considered to submit final costs and prices for the total services.

At the conclusion of these discussions and on the basis of the evaluation factors as stated in this RFP and information submitted and discussed in the selection process, the Selection Committee will rank in order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious.

Evaluation of the responses will be based on the following criteria:

Responsiveness - The extent to which the response meets the requirements of the solicitation and the extent to which the respondent is likely to be able to achieve the desired results, including:

- . Understanding of Arlington Public Schools' requirements and compliance with the RFP.
- . Provide references of three public education clients recently served with the services requested herein.
- . Provide a proposed schedule for the project.
- . Identify team members and attach resumes of each that indicate experience in similar projects.

Responsibility - The capability, integrity and reliability of the respondent, including:

- . How offeror proposed to accomplish the elements of the **Scope of Services**.
- . A brief statement of offeror's organization to include an organization chart that relates to pertinent functions. Indicate the names of key staff who will be assigned to work on this project.

Price- The cost of the services to be provided, utilizing the **Cost Proposal** section.

- . A cost proposal supported by data adequate to establish the reasonableness of the proposed charges for the services rendered.

General- Other evaluation criteria described or included by reference in this solicitation.

ADDITIONAL CRITERIA

ADDITIONAL CRITERIA
<p>1. Commitment to and Quality of Employee Education Program</p> <ul style="list-style-type: none"> • Material Provided • Participant Information Access (Voice Response System, Customer Service Representative, Internet) • On-site meetings • Participant Education (Investment Basics, Retirement Planning)
<p>2. Breadth, Depth and Quality of Investment Platform</p> <ul style="list-style-type: none"> • Breadth of Selection • Asset Allocation Funds and Assistance • Due Diligence Process of Investment Managers • Fund Access • For a Single Vendor platform, <i>a retail mutual fund platform must be available</i>
<p>3. Investment Performance</p> <ul style="list-style-type: none"> • 3-year Annualized Excess Returns • 5-year Annualized Excess Returns • 10-year Annualized Excess Returns • Style Consistency • Risk Consistency • Operations
<p>4. Compliance and Administration Services (especially related to IRS 2007 403(b) Regulations)</p> <ul style="list-style-type: none"> • Overall Capabilities • Payroll Processing • Compatibility with APS implementation of Oracle HRMS • Ability to transfer participant data files securely, in compatibility with APS system • Distribution Processing • Compliance Capabilities and Indemnification
<p>5. Service and References</p> <ul style="list-style-type: none"> • Representatives • Quality and reputation in the marketplace of firm and reps. • For single vendor, experience in a single vendor 403b structure • Training and Expertise • Reliability, availability and Support System
<p>6. Cost for Arlington County School Board and Plan Participants</p> <ul style="list-style-type: none"> • Administrative or Account Fees • Distribution Fees • Mortality and Expense Fees • Investment Management Fees • Total Fees
<p>7. Quality of proposal submission and impact of any exceptions taken</p>

These criteria are not necessarily listed in order of importance, nor assigned weight.

PART I
SECTION II - PROPOSAL SPECIFICATIONS

BACKGROUND

Arlington Public Schools has thirteen (13) vendors currently providing 403b services to eligible employees. For the March 31, 2008 payroll, there are 2722 active participants in the 403b plan. Contributions for that pay date were \$602,386.52. The School Board pays a matching percentage (1.7% of annual salary) for benefits-eligible employees into a 401 (a) account for the employee. The 401 (a) program is under contract with another vendor until 2010. After that time, it may become part of this program.

There is one payroll source and payrolls are done semi-monthly. There are approximately 4800 eligible employees. Employees are spread across 42 physical locations.

Responses to this RFP may be submitted under two scenarios:

A single vendor will be selected to provide bundled retirement plan services for 403b to all eligible employees beginning January 1, 2009;

Please note that, under this scenario, we would expect the vendor chosen to provide all administrative, investment management, and employee education services including compliance services associated with the newly published 403(b) regulations either provided by the vendor or a partner firm; OR

Up to three (3) providers will be selected to provide 403b retirement plan services to all eligible employees beginning January 1, 2009.

Please note that, under this scenario, it is the intent of APS to hire a firm to provide compliance services based on the newly published 403(b) regulations. This firm could be one of the vendors chosen, or an independent TPA firm. Please distinguish services if you partner with one of these firms because the firm may be hired and you may not or vice versa.

CONTRACT PERIOD:

The contract shall be for a period of five (5) years effective from Date of Award (estimated to be January 1, 2009) and continuing through January 1, 2014. The contract may be renewed by the Arlington County School Board upon written agreement of both parties for five (5) additional one (1) year periods provided acceptable rates can be negotiated and mutually agreed upon in writing between the Arlington County School Board and Contractor. Multi-year rate guarantees are encouraged, including fee reductions/breakpoints as assets grow.

Notice of intent to renew will be given to the Contractor in writing by the Purchasing Agent, normally 60 days before the expiration date of the current contract. (This notice shall not be deemed to commit the Arlington Public Schools to a contract renewal.)

All funds for payments by Arlington Public Schools under this contract are subject to the availability of an annual appropriation for this purpose by the Arlington County School Board. In the event of non-appropriation of funds by the Arlington County School Board for the goods or services provided under the contract or substitutes for such goods or services which are as advanced or more advanced in their technology, Arlington Public Schools will terminate the contract, without termination charge or other liability to Arlington Public Schools, on the last day of the then current fiscal year or when the appropriation made for the then current year for the services covered by this contract is spent, whichever event occurs first. If funds are not appropriated at any time for the continuation of this contract, cancellation will be accepted by the Contractor on thirty (30) days prior written notice, but failure to give such notice shall be of no effect and the Arlington County School Board shall not be obligated under this contract beyond the date of termination.

SCOPE OF SERVICES

The scope of services shall include but may not be limited to the following criteria set forth by the Arlington County School Board, and also contained in the Questionnaire, Attachment A. **If you are selected as a provider, you agree to the minimum service standards.**

Minimum Services To Be Performed:

Proposal may be responded for either the Multi-Vendor option or the Single Vendor option (or both). Under the Single Vendor option, the investment platform **could be a retail mutual fund solution** rather than the current group annuity platform.

Provide high quality, efficient plan administration and services including but not limited to:

- A. Maintaining plan and participant level records;
- B. Automated submission of employee contributions to vendor;
- C. Timely turnaround on participant requests including, but not limited to – phone requests to local representative, fund transfer requests, distribution requests, loan requests, fulfillment;
- D. Provide all compliance and plan document services as required by the plan including all new requirements based on the newly published 403(b) regulations. See below for more specific requirements pertaining to TPA services;
- E. Provide and monitor Salary Reduction Agreements;
- F. Maintain and administer accounts providing participants statements on demand or no less frequently than each calendar quarter;
- G. Provide a detailed list, including but not limited to, plan participants and contribution amounts, upon request;
- H. **(For TPA services only)** APS requirements are, but not limited to, the criteria set forth below. Outline in writing, in the form of an Executive Summary, how these requirements will be met.
 1. Provide all necessary Association of School Business Officials (ASBO) and Internal Revenue Service (IRS) compliant forms for Salary Reductions and Service Provider participation.
 2. Provide a written plan for APS that is fully compliant with all IRS requirements and customized to fit the needs of APS. As the IRS modifies the regulations, the TPA shall edit and maintain the plan documents as needed. The TPA will also keep the Arlington County School Board abreast of changes in the regulations governing the 403(b) program.
 3. Oversee all aspects of IRS compliance with APS's 403(b) program by all parties involved. In the event of an IRS audit, TPA will represent APS at the audit.
 4. Develop and maintain all employee files to ensure that each participating employee has an IRS compliant Salary Reduction Agreement on file.
 5. Assist in the preparation of communication material to be distributed to all eligible employees.
 6. Obtain fully executed modified Service Provider Agreements from each investment provider conducting business with APS. These modified Service Provider Agreements shall be compliant with all local, state, and federal regulations, with the exception of not requiring the investment providers to provide and certify Maximum Annual Contribution Limits (MACs) to the employee or APS. TPA will provide these contribution calculations, and certify to APS and the employee as to the accuracy of these calculations. Vendors that do not execute the modified Service Provider Agreement will not be permitted to enroll new participants.
 7. The TPA shall inform employees when they pass a benchmark age and years of service requirement to increase their annual contribution limit, and offer employees the option of moving to the higher limit, but shall not move employees to the higher limit without their consent.
 8. Review all employee contributions and perform all necessary calculations to ensure APS's compliance with all IRS regulations pertaining to 403(b) programs.
 9. Review all contributions to ensure that additions to the 403(b) program for each participant are within limits prescribed by Section 415 of the Internal Revenue Code.
 10. Provide an administrative procedure manual to be used by APS to administer the program. This manual shall include master copies of all forms required for the 403 (b) process.
 11. Review all employee Salary Reduction Agreements and sign the forms to verify compliance with the Internal Revenue Code and applicable regulations. TPA shall provide a designee who shall receive all new and revised Salary Reduction Agreements. TPA shall complete review of new and revised Salary Reduction Agreements within three business days. Copies of new and revised Salary Reduction Agreements may be faxed or mailed to TPA, and will verify changes by semi-monthly download file to the APS Payroll department.
 12. Serve as common remitter for the APS's 403(b) program, and as paying agent on behalf of APS to promptly remit all funds to participating vendors.

13. Establish a disbursement account on behalf of APS, and shall provide suitable privileges for APS to transfer funds into the account, and for TPA to transfer funds out of the account.
14. The TPA shall maintain and archive all participant 403(b) files and will ensure strict confidentiality of all employee data, records, and files. TPA will not make available to any outside vendor or sales/marketing organization, any records or information pertaining to APS employees. All of the rights available under the various annuity contracts or custodial accounts are enforceable solely by the respective APS employees, by the employees' beneficiary, or by an authorized representative of the employees.
15. APS is responsible to ensure that all monies for 403(b) contributions are wired (ACH is preferred) to their distribution account established pursuant to Section 11 no later than one full day prior to pay day and such funds must be available for distribution to Service Providers on or before noon of pay day. APS will use only TPA approved modified salary reduction agreements and will ensure that reductions will not be initiated until such forms are signed by the appropriate parties. APS will ensure that no additional service providers will be added unless they execute a TPA approved modified Service Provider Agreement. TPA assumes no liability for new vendors that will not sign the modified Service Provider Agreement reviewed and approved by TPA. Additionally, APS will furnish (or arrange to have furnished) all data and information requested by TPA and necessary for TPA to ensure that the operation of the 403(b) contract complies with the provisions of Sections 402(g), 403(b), and 415(c) of the Internal Revenue Code. APS understands and agrees that TPA's obligation to perform the administrative and support services set forth in any resulting Agreement are subject to the obligation of APS to timely supply (or arrange for TPA to receive) any and all data and information requested by TPA, and necessary for TPA to ensure APS's compliance with the 403(b) programs. TPA will not be responsible for any compliance errors resulting from APS's failure to furnish (or arrange for TPA to receive) necessary information requested within a reasonable time, or errors resulting from any misrepresentations made by APS or its employees.
16. The Contractor shall not sell or give to any individual or organization any information, reports, or other materials given to, prepared or assembled by the Contractor under the final contract.
17. If an independent TPA is chosen, the TPA shall not provide or offer any product to APS eligible employees. The sole responsibility of the Contractor is to act as a TPA providing the necessary services required to have a compliant 403 (b) program. In this scenario, APS intends to have between one (1) and four (4) vendors conducting business with eligible employees. It will be at the sole discretion of APS to decide if a reduction/addition in vendors is necessary.
18. The TPA shall meet all IRS requirements related to annual notices for employees "automatically enrolled" in the 403(b) program upon hire. Employees who do not opt-out on hire are automatically enrolled and monies defaulted into a fund that meets the IRS' definition of a "Qualified Default Investment Alternative." The TPA shall provide, at a minimum, those items required of employers by the IRS regulations, to include annual notice of their rights to participants who have been automatically enrolled.
 - I. Meet with Arlington County School Board management staff(s) within fifteen (15) days after the contract award date to present the proposed communication material, and to jointly establish a preliminary implementation plan and plan education program and schedule.
 - J. Furnish to each employee eligible for the plan information outlining and defining all plan features, vendor services, investment options and all fees (i.e. fund expenses, revenue sharing arrangements, mortality and expense, wrap fees and other fees). The initial proof must be provided to the Arlington County School Board on a timely basis but not later than thirty (30) days prior to the contract effective date. Arlington County School Board shall review and approve the information prior to distribution. Performance guarantees must be approved, and a draft contract must be prepared and delivered no later than thirty (30) days prior to the contract effective date.
 - K. Provide quarterly and cumulative year-to-date investment performance reports both gross and net of all related fees for all available investment options, to the Plan Administrator.
 - L. Provide and/or make available materials and personnel to communicate the features and benefits of a 403b plans for retirement purposes, including, but not limited to:
 1. On-site communication and education at specific locations at least two (2) times per year

2. Availability of one-on-one assistance for plan participants by appointment at any time.
 3. Materials that are easy to understand
 4. Retirement planning education
 5. Compliance with school sign-in and visitor procedures
- M. Be willing to assist with group and/or one-on-one meetings for all eligible employees in an on-going manner, but especially during the pre-service week for teachers and new hire orientation.
- N. Provide responsive and effective customer service for participants related to contribution posting, eligibility, account balance inquiry and investment changes. The Arlington County School Board requests that the Offeror's customer service representatives respond to questions and resolve issues/problems directly with participants/employees rather than referring them back to the Arlington County School Board.
- O. Provide secure internet access to participant accounts for both the Arlington County School Board and for plan participants.
- P. Provide a single point of contact responsible for quality control, resolving problems and expediting services related to the overall performance of the contract.
- Q. Provide an organizational chart and list of contacts (with phone numbers, email, department and title) in relevant functional areas. Provide updates as changes occur.
- R. Provide an administrative procedure manual to be used to administer the program, including necessary forms and instructions.
- S. Maintain a toll-free customer service number for employees.
- T. All representatives assigned to APS must be licensed to do business in the Commonwealth of Virginia.
- U. **Transfer of Records at Future Cancellation**
1. The selected provider of APS 403b agrees that at termination of the contract all required data and records necessary to administer the program shall be transferred to the new provider within thirty (30) days notice of termination. Such transfer may be accomplished either by electronic format based upon the mutual agreement between the canceled provider and the Arlington County School Board.

QUESTIONNAIRE

The following questionnaire is considered part and parcel of the scope of services and will assist in evaluating each proposal.

Instructions

1. Each question should have two (2) responses. The first response is under a Multi-vendor arrangement and the second response is under a Single Vendor arrangement. **There must be two responses for each question.** “Same as Multi-vendor” is an acceptable response for the Single Vendor response, if applicable.
2. If the provider is unable to answer a question or the question does not apply, the provider shall indicate why.

General Information

1. Provide background information and a brief description of your firm. Include any pertinent information relative to the size and organizational structure of your firm.
2. Provide pertinent financial data, which demonstrates your firm’s ability to successfully perform required services. Include a copy of most recent annual report. Please provide your most recent ratings (include the date of the rating) by each of the following:

Agency	Rating	Date of Rating
1. Weiss:		
2. Standard & Poors:		
3. Moody’s:		
4. A.M. Best:		

3. Report any restraining or disciplinary action taken against you by any regulatory body within the last (3) years.
4. How many 403(b) plans are you an active provider for in the following categories:

Participant Base	Multi-Vendor	Single Vendor
<i>Under 100 Participants</i>		
<i>100 to 499 Participants</i>		
<i>500 to 999 Participants</i>		
<i>1,000 to 4,999 Participants</i>		
<i>5,000 to 9,999 Participants</i>		
<i>10,000 or more Participants</i>		

(Note: Providers are required to answer the following question to be considered as a provider going forward. If multiple products are offered, please break out responses separately.)

5. If you currently provide or have ever provided service to plans for Arlington Public Schools, please provide the following information:
 - a. Current number of active participants (active defined by a contribution received in 2007).
 - b. Current number of inactive participants.
 - c. Current assets of active participants.
 - d. Current assets of inactive participants.
 - e. Assuming you, as the vendor, are not chosen as the new plan vendor, what would be the potential surrender charges if participants wanted to migrate their assets to the new vendor’s program? Please breakdown this amount between active and inactive participants.

6. Please list the number of other Public Schools who you are currently providing services.
Multi-Vendor:
Single Vendor:
7. Are any enhancements currently being programmed for your computer systems or in development for your service capabilities? If so, please describe them and provide target implementation dates.
Multi-Vendor:
Single Vendor:

Client Service

1. Who will be assigned to APS as a primary contact?
Multi-Vendor:
Single Vendor:
2. Describe your procedure for monitoring participant satisfaction.
Multi-Vendor:
Single Vendor:
3. Describe your procedure for monitoring Arlington County School Board satisfaction with your program.
Multi-Vendor:
Single Vendor:
4. Please detail any service guarantees you provide for your administrative and participant education services.
Multi-Vendor:
Single Vendor:
5. Detail your service standards for the timing of the following:
Multi-vendor:

Service	Service Standard (# of Days)	Actual Service Results (# of Days)
Investment of Payroll Deposits from Receipt of Data		
Hardship Withdrawal Processing		
Loan Processing		
Fund Transfer Requests		
Termination/Retirement Distribution Processing		
Mailing Confirmation of Transactions		
Quarterly Participant Statement Delivery from period end		
Quarterly Report Delivery for APS from period end		

Please Note whether days noted are business days or calendar days.

Single Vendor:

Service	Service Standard (# of Days)	Actual Service Results (# of Days)
Investment of Payroll Deposits from Receipt of Data		
Hardship Withdrawal Processing		
Loan Processing		
Fund Transfer Requests		

Service	Service Standard (# of Days)	Actual Service Results (# of Days)
Termination/Retirement Distribution Processing		
Mailing Confirmation of Transactions		
Quarterly Participant Statement Delivery from period end		
Quarterly Report Delivery for APS from period end		

Please Note whether days noted are business days or calendar days.

6. How often will you meet with APS to review the plan, review regulatory developments, and discuss any workflow or satisfaction issues? Who from your firm will attend these meetings?

Multi-Vendor:

Single Vendor:

7. In the table below, note the capabilities of your Arlington County School Board internet site:

Multi-vendor:	YES	NO
Payroll Submission		
Reverse Payroll Feed		
Standard Reports		
Approve Participant Transactions, if required		
Regulatory/Legislative Information		
Transaction History		
Create Ad Hoc Reports		
Print Forms		
View Discrimination Testing Results		
Administration Manual		

Single Vendor:	YES	NO
Payroll Submission		
Reverse Payroll Feed		
Standard Reports		
Approve Participant Transactions, if required		
Regulatory/Legislative Information		
Transaction History		
Create Ad Hoc Reports		
Print Forms		
View Discrimination Testing Results		
Administration Manual		

8. Please provide information to perform a demo of this site.

Multi-Vendor:

Single Vendor:

Payroll Processing

1. How are contribution dollars transmitted to your firm? (ACH or Wire)

Multi-Vendor:

Single Vendor:

2. APS currently transfers participant data via an FTP server that will support PGP Encryption for files that need to be uploaded and downloaded each semi-monthly payroll period on a LINUX, X86, 64 BIT server. APS transmits data via an administrative portal using SSL connectivity. This is APS' preferred process to transmit the data. Describe how you will accommodate this need. Also, describe your ongoing IT support for the inbound/outbound data process.
Multi-Vendor:
Single Vendor:

3. You must be compatible with APS implementation of the Integrated Oracle HRMS 11.5.10.2 on a 10g Database. TPA will be responsible for any and all modifications to standard datasets downloaded from the system with participant data. Describe what you will need to do in order to ensure that you are ready to receive the data and use it to process contributions.
Multi-Vendor:
Single Vendor:

Loan Processing

1. Does your product provide for participant loans? If yes, does the Arlington County School Board have the ability to outsource approval to the provider if requested?
Multi-Vendor:
Single Vendor:

2. Are loan repayments made directly by participants or through payroll deduction?
Multi-Vendor:
Single Vendor:

3. Is a 1099 form automatically issued when a loan default occurs?
Multi-Vendor:
Single Vendor:

4. Respond to the following questions as they apply to 403(b) plans:
 - a. Minimum loan amount
Multi-Vendor:
Single Vendor:

 - b. Maximum loan amount
Multi-Vendor:
Single Vendor:

 - c. Maximum repayment term
Multi-Vendor:
Single Vendor:

 - d. Maximum number of loans outstanding at any time
Multi-Vendor:
Single Vendor:

 - e. Restrictions on how often loans can be requested
Multi-Vendor:
Single Vendor:

 - f. Interest rate charged on loan as of 12/31/2007
Multi-Vendor:
Single Vendor:

g. Interest rate credited on repayment as of 12/31/2007

Multi-Vendor:

Single Vendor:

5. Are there any restrictions on a participant’s remaining balance when they have a loan outstanding? (I.e. a collateral amount must be invested in the Fixed Account)

Multi-Vendor:

Single Vendor:

Plan Administration

1. Does your administrative system have restrictions on transfers between investment options (i.e. stable value fund to mutual funds or vice versa, and transfers among mutual funds)?

Multi-Vendor:

Single Vendor:

2. What are the procedures and timing related to hardship withdrawals? Please note which party makes the determination of hardship – Arlington County School Board, the employee, or the provider.

Multi-Vendor:

Single Vendor:

3. If the provider makes the hardship determination, which standards do you apply in making the determination? Deemed hardship rules or deemed availability rules?

Multi-Vendor:

Single Vendor:

4. Does your product provide for a lump sum withdrawal prior to retirement? If so, explain the conditions.

Multi-Vendor:

Single Vendor:

5. Is there any reason that a distribution, full or partial, would not be available under your contract?

Multi-Vendor:

Single Vendor:

6. How do you assist participants with determining how much they can defer into the plan each year? Do you perform this calculation when deferral rates are changed as well as on an annual basis?

Multi-Vendor:

Single Vendor:

7. Detail your Domestic Relations Order outsourcing process and the responsibility you take. Do you qualify DRO’s? If so, is there a charge?

Multi-Vendor:

Single Vendor:

8. Provide a sample participant statement. Using the table below, note the features available on your participant statements and note any additional cost, if applicable.

Multi-Vendor:

Feature	Available Y/N	Comments / Cost
Modular Design		
Messaging Capabilities		
Sponsor Logo		
Asset Allocation Graphic		
Account Summary		
Loan Summary		
Transaction History		
Current Investment Elections		

Feature	Available Y/N	Comments / Cost
Vesting Information		
Fund Performance including Benchmarks		
Individual Rate of Return		
Other		

Single Vendor:

Feature	Available Y/N	Comments / Cost
Modular Design		
Messaging Capabilities		
Sponsor Logo		
Asset Allocation Graphic		
Account Summary		
Loan Summary		
Transaction History		
Current Investment Elections		
Vesting Information		
Fund Performance including Benchmarks		
Individual Rate of Return		
Other		

9. Are participant statements mailed to home addresses as part of the standard package? If not, what is the additional cost?

Multi-Vendor:

Single Vendor:

10. Are statements on demand available? If yes, how?

Multi-Vendor:

Single Vendor:

11. Can statements be delivered via the internet or email? How does this process work with your firm?

Multi-Vendor:

Single Vendor:

12. What reporting is provided to the administrative staff at Arlington Public Schools? At what frequency are these reports produced or available?

Multi-Vendor:

Single Vendor:

13. Are there any customized or ad hoc reporting capabilities?

Multi-Vendor:

Single Vendor:

14. What media are available for the reports produced for Arlington Public Schools?

Multi-Vendor:

Single Vendor:

15. If you are selected as the Third Party Administrator, how will you perform due diligence for APS related to the selection of funds available for investment under the program? (**Answer as though you were a TPA in a multi-vendor model, or as though you were the sole source provider managing the program**).

Multi-Vendor:

Single Vendor:

Voice Response System (VRS)/Customer Service Representatives (CSR) / Participant Internet

1. What are the credentials of your CSRs?

Multi-Vendor:

Single Vendor:

2. How many CSRs service Defined Contribution Plan [403(b)] Plans in your call center(s)?

Multi-Vendor:

Single Vendor:

3. How are the systems that support your CSRs and your recordkeeping system integrated?

Multi-Vendor:

Single Vendor:

4. How many customer service support sites does your firm have? Where are they located and are they redundant sites?

Multi-Vendor:

Single Vendor:

5. Please indicate the services available via your access points on the table below.

Multi-Vendor Service	VRS	CSR	Participant Internet
Hours of Availability			
Written confirmation of transaction within 48 hours			
Account Balance			
Transfer Funds			
Investment Election Changes			
Fund Performance			
Loan Modeling			
Loan Initiation			
Request Forms			
Hardship Amount Available			
Initiate Hardship Withdrawal			
Initiate a Lump Sum Distribution			
Request Prospectus			
Request/Print a Statement			
Change Deferral Percentage			
Enroll in Plan			
Change PIN			
Asset Allocation Tool			
Investment Advice (describe)			
Automatic Rebalancing			
Retirement Calculators			
Plan Provisions			
Individual Rate of Return			
Customization (describe)			
Other (please list)			

Single Vendor Service	VRS	CSR	Participant Internet
Hours of Availability			
Written confirmation of transaction within 48 hours			
Account Balance			
Transfer Funds			

Single Vendor Service	VRS	CSR	Participant Internet
Investment Election Changes			
Fund Performance			
Loan Modeling			
Loan Initiation			
Request Forms			
Hardship Amount Available			
Initiate Hardship Withdrawal			
Initiate a Lump Sum Distribution			
Request Prospectus			
Request/Print a Statement			
Change Deferral Percentage			
Enroll in Plan			
Change PIN			
Asset Allocation Tool			
Investment Advice (describe)			
Automatic Rebalancing			
Retirement Calculators			
Plan Provisions			
Individual Rate of Return			
Customization (describe)			
Other (please list)			

6. Provide information to perform a demo of your VRS and Participant Internet.

Employee Education and Enrollment

1. How do you evaluate and review your communications program with the Arlington County School Board and at what frequency?
Multi-Vendor:
Single Vendor:
2. Please note your ability to be available for one-on-one meetings with employees of the Arlington County School Board.
Multi-Vendor:
Single Vendor:
3. What types of communication pieces/methods (i.e. seminars, video tape, audio tape/compact disc, web casts, printed materials, on-line materials) are available? Please provide samples of each.
Multi-Vendor:
Single Vendor:
4. Can you provide targeted communications to increase plan participation? What commitment can you make to increasing participation? Provide examples of communications campaigns used and results achieved for other clients.
Multi-Vendor:
Single Vendor:
5. How can you target communications to specific participant groups – non-participants, low deferral percents, lack of investment diversification, those nearing retirement?
Multi-Vendor:
Single Vendor:
6. Do you provide for employee education through both group and one-on-one meetings?
Multi-Vendor:
Single Vendor:

7. Are there a minimum number of employees you require to conduct a group meeting?
Multi-Vendor:
Single Vendor:
8. Describe the processes a representative uses to communicate with employees regarding the program.
Multi-Vendor:
Single Vendor:
9. Describe how a one-on-one session with a new participant would be conducted, what is typically reviewed and any tools a representative uses with the employee.
Multi-Vendor:
Single Vendor:
10. Do you encourage an annual account review with each participant? If so, how?
Multi-Vendor:
Single Vendor:
11. How do you provide investment guidance/advice to participants (i.e. one-on-one with representatives, internet-based tool, or alliance with an outside investment advice provider)?
Multi-Vendor:
Single Vendor:
12. Does your organization provide any services (e.g., personal questionnaires, software) that would help individual participants with financial planning?
Multi-Vendor:
Single Vendor:
13. Has your organization participated in sponsoring benefits fairs or other activities that bring together many employees at one time? Would you consider doing this for APS? Can you provide examples of your experiences in this area and what you feel might be successful for APS?
Multi-Vendor:
Single Vendor:

Account Servicing / Company Representatives

1. Are the representatives who service employees independent of your firm or company representatives? What are the qualifications/credentials of these individuals? Where are they located? Do all representatives assigned to APS work in one office?
Multi-Vendor:
Single Vendor:
2. How many local representatives will be assigned to service APS? Contract requirements stipulate a minimum of two (2) not to exceed three (3) representatives. If you feel, based on your experience, that a different number of representatives should be considered, please provide documentation of this.
Multi-Vendor:
Single Vendor:
3. Do you have corporate standards for returning phone calls to clients? If yes, please detail and describe how this is monitored.
Multi-Vendor:
Single Vendor:
4. What hours are the representatives available to clients via telephone or email? What are the representatives' office hours?
Multi-Vendor:
Single Vendor:
5. If the assigned representatives are not available when a client calls, is there backup available? Please detail the

experience level of those individuals providing backup support and the hours they are available.

Multi-Vendor:

Single Vendor:

6. Are representatives compensated on a commission or salary basis or a combination of the two?

Multi-Vendor:

Single Vendor:

7. What is the commission schedule for the product being offered in your proposal, if applicable?

Multi-Vendor:

Single Vendor:

Complete the following for each person who will market your product to employees of APS

Representative #1

1. Please identify and provide industry experience for the individual who will be soliciting Defined Contribution Plan [403(b)]. Include their name, business address, business phone number and business fax number.
2. Does the product being sold require the representative to be registered with the SEC, the NASD or the Commonwealth of Virginia? If so, does the representative hold the appropriate licenses?
3. How long has this individual been soliciting Defined Contribution Plan [403(b)] business?
4. How long has this individual been employed by or affiliated with your organization?
5. What other major organizations/local governments/schools systems does this individual service?

Representative #2

1. Please identify and provide industry experience for the individual who will be soliciting Defined Contribution Plan [403(b)] business. Include their name, business address, business phone number and business fax number.
2. Does the product being sold require the representative to be registered with the SEC, the NASD or the Commonwealth of Virginia? If so, does the representative hold the appropriate licenses?
3. How long has this individual been soliciting Defined Contribution Plan [403(b)] business?
4. How long has this individual been employed by or affiliated with your organization?
5. What other major organizations/local governments/schools systems does this individual service?

Representative #3

1. Please identify and provide industry experience for the individual who will be soliciting Defined Contribution Plan [403(b)] business. Include their name, business address, business phone number and business fax number.
2. Does the product being sold require the representative to be registered with the SEC, the NASD or the Commonwealth of Virginia? If so, does the representative hold the appropriate licenses?
3. How long has this individual been soliciting Defined Contribution Plan[403(b)] business?

4. How long has this individual been employed by or affiliated with your organization?

5. What other major organizations/local governments/schools systems does this individual service?

Vendor References

1. How many organizations sponsoring Defined Contribution [403(b)] Plans does your company actively service in the Commonwealth of Virginia?

Multi-Vendor:
Single Vendor:

2. List no more than ten such organizations and your contact person. We would appreciate you listing companies serviced by the above representatives.

Organization	Year Approved	# Of Plan Participants	Multi-Vendor/ Single Vendor	Contact Person
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

3. List three (3) references public school districts for which your company is currently providing Defined Contribution Plan [403(b)] services using the product you are proposing for APS and, if possible, the representatives who would be assigned to service APS:

School System	
Contact Person	
Phone Number	
Address	
Project Scope	
Project Value	
Multi-Vendor or Single Vendor	

School System	
Contact Person	
Phone Number	

Address	
Project Scope	
Project Value	
Multi-vendor or Single Vendor	

School System	
Contact Person	
Phone Number	
Address	
Project Scope	
Project Value	
Multi-vendor or Single Vendor	

Surrender and Withdrawal Charges

1. Discuss any applicable surrender/withdrawal charges associated with this product. Please detail how these charges are calculated. Do these charges apply to both the fixed and variable accounts?
Multi-Vendor:
Single Vendor:
2. Is the surrender charge imposed on the value of the entire amount withdrawn or only on contributions attributable to the withdrawn amount (i.e., no charge on interest or other appreciation)?
Multi-Vendor:
Single Vendor:
3. Indicate below under what circumstances the surrender/withdrawal charge would be waived.

Event	Multi-vendor	Single Vendor
Free out of specific percentage each year. Indicate percentage.		
Hardship Withdrawal		
Termination of employment		
Attainment of age 59 ½		
Attainment of specific age and minimum number of years of participation in contract		
Death		

Event	Multi-vendor	Single Vendor
Disability		
Retirement		
Annuitization		
Transfer of funds to Purchase Service Credit under the Virginia Retirement System		
Other		

Compliance

1. Fully describe your capabilities and processes in the area of compliance, based on the newly published 403(b) regulations. This would include how you would be working with prior (and current) vendors. How would you, as either the single vendor or multi-vendor, ensure we comply with each of the following items. We would like your responses to include, but not limited to:
 - a. Effective Date
 - b. Written Plan
 - c. Transfers and Exchanges
 - d. Consequences of defects
 - e. Universal Availability and other nondiscrimination requirements
 - f. Distributions and Loans
 - g. Contribution limits
 - h. Vesting
 - i. Plan Termination
 - j. Timing of contribution remittance
 - k. Title I of ERISA

2. To the extent a vendor (or vendors) fails to provide the information, either by lack of response or by lack of capability, how would you consult with us in order to comply with the new regulations.

Fees

1. Identify any other fees and/or charges associated with this product that would be assessed to a participant. (Charges associated specifically with separate account investments or individual funds (i.e., mortality charges, investment advisory fees, etc.) should be addressed in the section(s) of the questionnaire dealing with separate account investments.)

Service	Multi-vendor	Single Vendor
Account Set-up Charges		
Annual Account Maintenance		
Form 1099-R		
Maximum Deferral Calculation		
QDRO Determination/Calculation		
Minimum Required Distribution Calculation		

Service	Multi-vendor	Single Vendor
Compliance Testing		
Plan Document Services		
Loan Initiation/Setup Fee		
Loan Maintenance Fee		
Other (Please define)		

Are the above charges guaranteed? If so, for what period?

Multi-Vendor:

Single Vendor:

2. To what extent would you be willing to offer any contract credit for covering surrender charges in other vendor products? For example, if Vendor ABC participant wants to rollover his 403(b) account into your program, are there credits available to encourage participants to consolidate their accounts? Please be specific in the amounts available and any pertinent information to consider.

Multi-Vendor:

Single Vendor:

3. If APS decides to use one firm as their compliance TPA for all services required based on the new 403(b) regulations, please be specific in the costs associated with your firms' Compliance services (you or your partner firm), either multiple or single vendor.

4. To what extent would you be willing to offer the option for employees to self-broker their accounts? Please list any additional fees associated with this option.

Multi-Vendor:

Single Vendor:

5. **(Single Vendor question only)** Assuming you receive no revenue from any fund chosen in the 403b arrangement (including your fixed account), please detail the costs of providing your proposed services to Arlington Public Schools. You can provide this in either a per-participant charge or a basis points charge. In either case, describe the parameters/assumptions used to arrive at your fee (number of participants, assets, etc.)

Investment Management

1. Please provide a complete list of all investment options available to participants using the investment matrix in Excel (**Investment Matrix.xls**).
2. Please describe your firm's due diligence process for both the selection and review of investment manager/sub-advisors. Is this process managed in-house or outsourced to another advisory firm?
3. Please explain your firm's process for informing participants of changes in investment options (fees, style, performance, risk, etc.).
4. **Please note that, when responding, please identify which fund is being recommended for the single vendor or multi-vendor platform (Be specific)**

Below we have defined specific asset classes and detailed the criteria for selection of investment options in each asset class. Using this information, please provide your recommended fund lineup for this client by identifying the investment

name. If an investment option is not available that meets the criteria listed below, select an alternative that meets the criteria as closely as possible. The following will ask detailed questions about each of the selected investments.

Investment Options – Selection Criteria

1. All funds must be daily valued, and provide for overnight settlement of transactions.
2. Multiple funds may be presented in each category up to a maximum of three. However, pricing cannot be affected by the choice of any of the recommended funds.
3. CAPTRUST may recommend changes to the funds presented after review.

The following funds are required, with selection criteria noted for each fund.

Guarantee of Principal – This account is underwritten by the general assets of the insurance company. Further the insurance company guarantees (a) the principal against loss and (b) a minimum rate on deposits.

Money Market Fund – An account or fund whose objective is liquidity and income achieved through investment in short term money market obligations.

Core Bond Fund – An account or fund whose objective is long term preservation of capital while earning a high level of current income. Investments are primarily in intermediate term debt securities.

Balanced/ Lifestyle Funds – An accounts or funds whose objective is both income and capital appreciation achieved through a combination of investment in fixed income, equity and money market securities. These funds can be structured based on risk, age, or both.

Large Value Fund – An account or fund whose objective is to combine long-term capital growth with a steady stream of current income by investing mainly in the common stock of companies that have had increasing share value with a solid record of paying dividends.

Large Cap Blend Fund (Passive)- An account or fund whose objective is to replicate the overall make up and performance of the S&P500 index or the Russell 1000 Index.

Large Growth Fund – An account or fund whose objective is long-term capital appreciation achieved though investment in large cap equity securities. Current income is of secondary or minor importance.

Aggressive Value Fund- – An account or fund whose objective is to combine long-term capital growth with a steady stream of current income by investing mainly in the common stock of companies that have had increasing share value with a solid record of paying dividends on the smaller end of the capitalization range

Aggressive Growth Fund – An account or fund that seeks maximum long-term capital gains by the type of companies in which it invests and/or through aggressive portfolio management practices on the smaller end of the capitalization range.

International Fund - An account or fund whose objective is long-term capital appreciation achieved through investment in equity securities of countries other than the United States. No more than 20% can be invested in US equity stocks. Current income is of secondary or minor importance.

Type of Fund	Name	12/31/2007 Performance				Total Expense
		1 Yr	3 Yr	5 Yr	10 Yr	
Guarantee of Principal						
Money Market Fund						
Core Bond Fund						
Balanced/Lifestyle Funds						
Large Value Fund						
S&P500 Index Fund						

Large Growth Fund						
Aggressive Value Fund						
International Fund						
Aggressive Growth Fund						

Answer this Section for the Representative Guaranteed Fund Being Offered in this Proposal (per the instructions above)

1. Guaranteed Account Name: _____
2. Provide the following information regarding your financial strength and/or claims paying ability. Indicate below the rating for the company underwriting the annuity.
3. As of December 31, 2007, what is your contractually guaranteed minimum long-term interest rate? How long will it remain in force? For the life of the contract? Other?
4. As of December 31, 2007, what was the current interest rate credited on current deposits?
5. What are you currently crediting on deposits made in the quarter ending March 31st?

2007	_____
2006	_____
2005	_____
2004	_____
2003	_____
2002	_____
2001	_____
2000	_____

If you credit more than one interest rate during a calendar year, please list above in chronological order with applicable dates.

6. What is the **guaranteed** monthly life income payable per \$1000 at age 65 on a 10-year certain and continuous basis?
7. What is the **current** monthly life income payable for \$1,000 at age 65 on a 10-year certain and continuous basis?
8. Provide the method of crediting interest (e.g., portfolio, blended rate, etc.)

Answer this Section for the Representative International Fund Being Offered in this Proposal (per the instructions above)

1. Annuity Separate Account/Mutual Fund: _____
2. What year was the fund approved for investment under product?
3. Is this a fund of other funds?
4. Does the fund have a front-end load? If yes, please detail.
5. What is the investment advisory and/or management fee?

THIS IS PRODUCED FOR INFORMATION ONLY. THIS RFP IS CLOSED, AND NO OTHER PROPOSALS WILL BE ACCEPTED.

6. What is the charge for:
Mortality _____
Expense Guarantee _____
Other Expenses _____
12b-1 Fees _____
Total Charges _____
7. Is there a death benefit offered which is greater than the account balance at date of death? If so, describe.
8. What is the current market value of this fund?
9. How many years has the fund been managed with this objective? What is the fund manager's tenure?
10. Is there any surrender charge associated with this investment option? If so, please detail.

Answer this Section for the Representative Aggressive Growth Fund Being Offered in this Proposal (per the instructions above)

1. Annuity Separate Account/Mutual Fund Name: _____
2. What year was fund approved for investment under product?
3. Is this a fund of other funds?
4. Does this fund have a front-end load? If yes, please detail.
5. What is the investment advisory and/or management fee?
6. What is the charge for:
Mortality _____
Expense Guarantee _____
Other Expenses _____
12b-1 Fees _____
Total Charges _____
7. Is there a death benefit offered which is greater than the account balance at date of death? If so, describe.
8. What is the current market value of this fund?
9. How many years has the fund been managed with this objective? What is the fund manager's tenure?
10. Is there any surrender charge associated with this investment option? If so, please detail.

Answer this Section for the Representative Aggressive Value Fund Being Offered in this Proposal (per the instructions above)

1. Annuity Separate Account/Mutual Fund Name: _____

2. What year was fund approved for investment under product?

3. Is this a fund of other funds?

4. Does this fund have a front-end load? If yes, please detail.

5. What is the investment advisory and/or management fee?

6. What is the charge for:

Mortality	_____
Expense Guarantee	_____
Other Expenses	_____
12b-1 Fees	_____
Total Charges	_____

7. Is there a death benefit offered which is greater than the account balance at date of death? If so, describe.

8. What is the current market value of this fund?

9. How many years has the fund been managed with this objective? What is the fund manager's tenure?

10. Is there any surrender charge associated with this investment option? If so, please detail.

Answer this Section for the Representative Large Growth Fund Being Offered in this Proposal (per the instructions above)

1. Annuity Separate Account/Mutual Fund Name: _____

2. What year was fund approved for investment under product?

3. Is this a fund of other funds?

4. Does this fund have a front-end load? If yes, please detail.

5. What is the investment advisory and/or management fee?

6. What is the charge for:
- | | |
|-------------------|-------|
| Mortality | _____ |
| Expense Guarantee | _____ |
| Other Expenses | _____ |
| 12b-1 Fees | _____ |
| Total Charges | _____ |
7. Is there a death benefit offered which is greater than the account balance at date of death? If so, describe.
8. What is the current market value of this fund?
9. How many years has the fund been managed with this objective? What is the fund manager's tenure?
10. Is there any surrender charge associated with this investment option? If so, please detail.

Answer this Section for the Representative Large Value Fund Being Offered in this Proposal (per the instructions above)

1. Annuity Separate Account/Mutual Fund Name: _____
2. What year was fund approved for investment under product?
3. Is this a fund of other funds?
4. Does this fund have a front-end load? If yes, please detail.
5. What is the investment advisory and/or management fee?
6. What is the charge for:
- | | |
|-------------------|-------|
| Mortality | _____ |
| Expense Guarantee | _____ |
| Other Expenses | _____ |
| 12b-1 Fees | _____ |
| Total Charges | _____ |
7. Is there a death benefit offered which is greater than the account balance at date of death? If so, describe.
8. What is the current market value of this fund?
9. How many years has the fund been managed with this objective? What is the fund manager's tenure?
10. Is there any surrender charge associated with this investment option? If so, please detail.

Answer this Section for the Representative S&P 500 Index Fund Being Offered in this Proposal (per the instructions above)

1. Annuity Separate Account/Mutual Fund Name: _____
2. What year was fund approved for investment under product?
3. Is this a fund of other funds?
4. Does this fund have a front-end load? If yes, please detail.
5. What is the investment advisory and/or management fee?
6. What is the charge for:

Mortality	_____
Expense Guarantee	_____
Other Expenses	_____
12b-1 Fees	_____
Total Charges	_____
7. Is there a death benefit offered which is greater than the account balance at date of death? If so, describe.
8. What is the current market value of this fund?
9. How many years has the fund been managed with this objective? What is the fund manager's tenure?
10. Is there any surrender charge associated with this investment option? If so, please detail.

Answer this Section for the Representative Balanced/Lifestyle Fund(s) Being Offered in this Proposal (per the instructions above)

1. Annuity Separate Account/Mutual Fund Name: _____
2. What year was fund approved for investment under product?
3. Is this a fund of other funds?
4. Does this fund have a front-end load? If yes, please detail.
5. What is the investment advisory and/or management fee?

6. What is the charge for:

Mortality	_____
Expense Guarantee	_____
Other Expenses	_____
12b-1 Fees	_____
Total Charges	_____

7. Is there a death benefit offered which is greater than the account balance at date of death? If so, describe.

8. What is the current market value of this fund?

9. How many years has the fund been managed with this objective? What is the fund manager's tenure?

10. Is there any surrender charge associated with this investment option? If so, please detail.

Answer this Section for the Representative Core Bond Fund Being Offered in this Proposal (per the instructions above)

1. Annuity Separate Account/Mutual Fund Name: _____

2. What year was fund approved for investment under product?

3. Is this a fund of other funds?

4. Does this fund have a front-end load? If yes, please detail.

5. What is the investment advisory and/or management fee?

6. What is the charge for:

Mortality	_____
Expense Guarantee	_____
Other Expenses	_____
12b-1 Fees	_____
Total Charges	_____

7. Is there a death benefit offered which is greater than the account balance at date of death? If so, describe.

8. What is the current market value of this fund?

9. How many years has the fund been managed with this objective? What is the fund manager's tenure?

10. Is there any surrender charge associated with this investment option? If so, please detail.

Answer this Section for the Representative Money Market Fund Being Offered in this Proposal (per the instructions above)

1. Annuity Separate Account/Mutual Fund Name: _____
2. What year was fund approved for investment under product?
3. Is this a fund of other funds?
4. Does this fund have a front-end load? If yes, please detail.
5. What is the investment advisory and/or management fee?
6. What is the charge for:
Mortality _____
Expense Guarantee _____
Other Expenses _____
12b-1 Fees _____
Total Charges _____
7. Is there a death benefit offered which is greater than the account balance at date of death? If so, describe.
8. What is the current market value of this fund?
9. How many years has the fund been managed with this objective? What is the fund manager's tenure?
10. Is there any surrender charge associated with this investment option? If so, please detail.
11. What is the average maturity on your portfolio in number of days?

Mutual Fund Investigation

1. Has the firm been subpoenaed by regulators with regard to the firm's trading practices? If yes, by whom and when?
2. Are there any current or pending litigation or administrative actions against the firm as a result? If yes, please describe them.
3. Has the firm conducted an internal review to determine if excessive market timing and/or after hours trading have occurred in the funds? If yes, what was the outcome of the internal review?
4. How does the firm monitor employees' personal trading activities?
5. Has the firm terminated any employee in connection with the Trading Practice Investigations? Please provide information regarding any such termination.
6. What is the firm's policy regarding after hours trading?
 - a. Are there any situations where an investor can purchase shares after 4pm Eastern Time, or after the fund's shares have been priced, and receive that day's closing price? If so, please explain.

- b. Are intermediaries, such as brokers and retirement plan record keepers, permitted to place orders after 4pm Eastern Time, provided they received those orders before 4pm Eastern Time? How does the firm verify that the intermediary received the original order before 4pm Eastern Time?
7. What are the firm's guidelines regarding excessive trading, short term trading or market timing? Are there different guidelines for the various classes of shares of the mutual funds the firm offers? What language is contained in the prospectus regarding excessive trading, short term trading and market timing?
8. What does the firm do to protect against market timing and excessive trading? Do the firm's pricing policies protect against market timing? Are there back end loads or expense charges on any funds? If the firm imposes such fees to discourage short-term trading, please explain how the firm developed this pricing, and why the firm would impose such fees on some of the funds and not on others, if applicable.
9. Does the firm employ fair market value pricing? If so, please describe those practices and explain what types of securities they apply to and under what circumstances.
10. Does the firm permit hedge funds to invest in the mutual funds? If so, please describe the policies for monitoring the hedge fund investors.
11. Please describe how hedge fund investors may be treated differently from other investors (e.g., individual investors and participants in 403(b) Plans), particularly with respect to other services that the firm may offer to hedge funds. Please describe how the firm is compensated for working with hedge funds.
12. What provisions are in place or being considered to protect shareholders?
13. Does your firm have:
 - a. Errors and Omissions Insurance? Minimum of \$20mm required
 - b. Directors & Officers Liability Insurance? Minimum of \$20mm required
 - c. Crime Policy Insurance?
 - d. Professional Liability Insurance?

Who are the carriers and what are the limits?

PART I
SECTION III - COST PROPOSAL

REQUIRED INFORMATION FROM APPLICANTS

The proposal shall indicate the following and a vendor may not be considered if their proposal is not complete in all respects:

1. Name, address, and telephone of the firm.
2. Costs are to be broken down into unit cost.
3. Total proposed **actual fixed price** cost for the project.

**REQUEST FOR PROPOSAL NO. 73FY08
ARLINGTON PUBLIC SCHOOLS, ARLINGTON, VIRGINIA**

VENDOR NAME:

ADDRESS:

CITY/STATE/ZIP:

AUTHORIZED
SIGNATURE:

PRINT NAME
AND TITLE:

TELEPHONE NUMBER: _____

FAX NUMBER: _____

TAX IDENTIFICATION NUMBER (EIN/SSN):

IS THIS FIRM A CORPORATION? YES: NO:

PLEASE INITIAL IF: MINORITY OWNED: WOMAN OWNED: NEITHER:

1. ALL MATERIAL (PROPOSAL AND ATTACHMENTS) SUBMITTED SHALL BE IN 6 COPIES (ORIGINAL PLUS 5 COPIES). THIS PAGE SHALL BE THE COVER PAGE FOR EACH COPY OF THE PROPOSALS SUBMITTED.
2. INDICATE THE NAME AND TELEPHONE NUMBER OF THE PERSON WHO CAN RESPOND AUTHORITATIVELY TO ANY QUESTIONS REGARDING THIS PROPOSAL.

NAME: _____ TEL: _____

Council of Governments

Region IV Superintendent

YES NO JURISDICTION

YES NO JURISDICTION

- ___ ___ Alexandria, Virginia
- ___ ___ Alexandria Public Schools
- ___ ___ Alexandria Sanitation Authority
- ___ ___ Arlington County, Virginia
- ___ ___ Arlington County Public Schools
- ___ ___ Bowie, Maryland
- ___ ___ Charles County Public Schools
- ___ ___ College Park, Maryland
- ___ ___ Culpeper County, Virginia
- ___ ___ District of Columbia
- ___ ___ District of Columbia Courts
- ___ ___ District of Columbia Public Schools
- ___ ___ District of Columbia Water & Sewer Auth.
- ___ ___ Fairfax, Virginia
- ___ ___ Fairfax County, Virginia
- ___ ___ Fairfax County Water Authority
- ___ ___ Falls Church, Virginia
- ___ ___ Fauquier County Schools & Govt., Virginia
- ___ ___ Frederick County
- ___ ___ Gaithersburg, Maryland
- ___ ___ Greenbelt, Maryland
- ___ ___ Herndon, Virginia
- ___ ___ Loudoun County, Virginia
- ___ ___ Manassas, Virginia
- ___ ___ Manassas Public Schools
- ___ ___ Maryland-Natl. Capital Park & Plng. Comm.
- ___ ___ Metropolitan Washington Airports Authority
- ___ ___ Metro Washington Council of Governments
- ___ ___ Montgomery College
- ___ ___ Montgomery County, Maryland
- ___ ___ Montgomery County Public Schools
- ___ ___ Prince George's County, Maryland
- ___ ___ Prince George's Public Schools
- ___ ___ Prince William County, Virginia
- ___ ___ Prince William County Public Schools
- ___ ___ Prince William County Service Authority
- ___ ___ Rockville, Maryland
- ___ ___ Spotsylvania County Schools
- ___ ___ Stafford County, Virginia
- ___ ___ Takoma Park, Maryland
- ___ ___ Vienna, Virginia
- ___ ___ Washington Metro Area Transit Authority
- ___ ___ Washington Suburban Sanitary Commission
- ___ ___ Winchester Public Schools
- ___ ___ Clark County Schools
- ___ ___ Culpeper County Schools
- ___ ___ Fauquier County Schools
- ___ ___ Frederick County Virginia Schools

- ___ ___ Fredericksburg City Public Schools
- ___ ___ Loudon County Schools
- ___ ___ Madison County Schools
- ___ ___ Manassas City Schools
- ___ ___ Manassas Park City Schools
- ___ ___ Orange County Schools
- ___ ___ Page County Schools
- ___ ___ Rappahannock County Schools
- ___ ___ Shenandoah County Schools
- ___ ___ Spotsylvania County Schools
- ___ ___ Stafford County Schools
- ___ ___ Winchester City Schools
- ___ ___ Warren County Schools

Vendor Name

Revised 3/11/20

PART II - INSTRUCTIONS TO OFFERORS

PROPOSAL FORM SUBMISSION

An original, and 5 copies of the proposal (6 copies total) shall be signed and submitted in a sealed envelope to the Office of the Purchasing Agent no later than the time and date specified in the solicitation. Timely submission of the proposal is the sole responsibility of the offeror. Proposals received after the specified time will be rejected. The envelope or package shall indicate the name of the offeror, proposal opening date, time, and the number of the solicitation. The time and date of receipt shall be indicated on the envelope or package by the Purchasing Office. Proposals received in the Office of the Purchasing Agent after the time and date specified in the solicitation will not be opened or considered. Proposals not submitted in the number of copies requested are subject to immediate rejection.

Failure to submit a proposal on the Proposal Form provided for that purpose in this solicitation shall be considered just cause for rejection of the proposal. Modification of or additions to any portion of the solicitation may be cause for rejection of the proposal; however, Arlington Public Schools reserves the right to decide, on a case by case basis, in its sole discretion, whether or not to reject such a proposal as non-responsive.

COLLUSION AMONG OFFERORS

Multiple proposals from an individual, firm, partnership, corporation or association under the same or different names are subject to rejection unless specifically permitted in the solicitation. Reasonable grounds for believing that an offeror is interested in more than one proposal for the work contemplated may result in rejection of all proposals in which the offeror is interested. Any or all proposals will be rejected if there is any reason for believing that collusion exists among the offerors. Participants in such collusion may not be considered in future proposals for the same work. Each offeror, by submitting a proposal certifies that it is not a party to any collusive action. Nothing in this section will preclude a firm acting as a subcontractor to be included as a subcontractor for two or more prime contractors submitting a proposal for the work.. However, a subcontractor may not submit a proposal as a subcontractor for another offeror and as a prime contractor.

EXPENSES INCURRED IN PREPARING PROPOSAL

Arlington Public Schools accepts no responsibility for any expense incurred by the offeror in the preparation and presentation of a proposal, such expenses to be borne exclusively by the offeror.

OFFEROR INVESTIGATIONS

Before submitting a proposal, each offeror shall make all investigations and examinations necessary to ascertain all conditions and requirements affecting the full performance of the contract and to verify any representations made by Arlington Public Schools that the offeror will rely upon. No pleas of ignorance of such conditions and requirements resulting from failure to make such investigations and examinations will relieve the successful offeror from its obligation to comply in every detail with all provisions and requirements of the contract documents, or will be accepted as a basis for any claim whatsoever for any monetary consideration on the part of the successful offeror.

QUALIFICATION OF OFFERORS

Each offeror may be required, before the award of any contract, to show to the complete satisfaction of the Purchasing Agent that it has the necessary facilities, ability, and financial resources to furnish the service or material specified herein in a satisfactory manner. The offeror may also be required to show past history and references which will enable the Purchasing Agent to be satisfied as to the offeror's qualifications. Failure to qualify according to the foregoing requirements will justify rejection by Arlington Public Schools.

TWO STEP EVALUATION

Evaluation of responses shall be a two step process. The first step consists of scoring the responses of all offerors to create a short list of those firms deemed most qualified to perform the work. Two or more of the highest scoring firms will be included in the short list. The scores for the first step are solely to identify offerors who will proceed to the second step. The second step is the selection of the finalist(s) from the short listed firms. The second step selection will be based on an evaluation of either the short listed firms' interviews and oral presentations, or the quality of responses to Arlington Public School's request for additional information, or a combination of one or more of these factors. The scores received by the finalists in the step one evaluation will not be used in step two except as a tie breaker.

DEBARMENT STATUS

By submitting a proposal, the offeror certifies that it is not currently debarred or suspended from submitting proposals on

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contracts by Arlington County, Virginia or any political subdivision or agency of the Commonwealth of Virginia, and is not an agent of any person or entity that is currently debarred or suspended from submitting proposals on contracts by Arlington County, Virginia or any political subdivision or agency of the Commonwealth of Virginia.

ADDITIONAL INFORMATION

Contractual questions regarding this solicitation should be in writing and submitted to the Arlington Public Schools Purchasing Agent. Should any questions or responses require revisions to the solicitation as originally published, such revisions will be by formal amendment only. If the solicitation includes an Arlington Public Schools contact for additional technical information other than the Arlington Public Schools Purchasing Agent, potential offerors are cautioned that any verbal representations made by Arlington Public Schools or other person that appear to change materially any portion of the solicitation shall not be relied upon unless subsequently ratified by a written amendment to this solicitation issued by the APS or the Purchasing Agent. For determination as to whether any representations, of any Arlington Public Schools or other person requires that an amendment be issued, contact Arlington Public Schools Purchasing Office at (703) 228-6123.

COMPETITIVE NEGOTIATION FOR GOODS AND SERVICES OTHER THAN PROFESSIONAL SERVICES

This solicitation is let under Arlington Public Schools procedure, "Competitive Negotiation for Goods and Services" as defined in the Arlington Public Schools Purchasing Resolution. Under this procedure, the content of the proposals, and the identity of the offerors are not public record until an award determination has been made. Because of this restriction, the opening of proposals is not public.

PROPOSAL WITHDRAWAL

No proposal can be withdrawn after it is filed unless the offeror makes a request in writing to Arlington Public Schools Purchasing Agent prior to the time set for the opening of proposals or unless Arlington Public Schools fails to award or issue a notice of intent to award the contract within ninety (90) days after the date fixed for opening proposals.

PART III - GENERAL TERMS AND CONDITIONS

ARLINGTON PUBLIC SCHOOL EMPLOYEES

No employee of Arlington Public Schools, shall be admitted to any share or part of this contract or to any benefit that may arise there from which is not available to the general public.

EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED

During the performance of this contract, the Contractor agrees as follows:

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this nondiscrimination clause.
- b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an Equal Opportunity Employer.
- c. Notices, advertisements and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- d. The Contractor will include the provisions of the foregoing paragraphs a, b, and c in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- e. The Contractor will comply with the provisions of the Americans with Disabilities Act of 1990 which prohibits discrimination against individuals with disabilities in employment and mandates their full participation in both publicly and privately provided services and activities.

ARLINGTON COUNTY BUSINESS LICENSES

The Contractor must comply with the provisions of Chapter 11 (Business Licenses) of the Arlington County Code. For further information on the provisions of this chapter and its applicability to this contract, contact the Arlington County Business License Division, Commissioner of the Revenue of Arlington, Virginia, Telephone Number (703) 228-3060.

INDEMNIFICATION

The Contractor covenants to save, defend, hold harmless, and indemnify Arlington Public Schools, and all of its officers, departments, agencies, agents, and employees (collectively "Arlington Public Schools") from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, resulting from, arising out of, or in any way connected with the Contractor's performance or nonperformance of the work called for by the Contract Documents.

ARLINGTON PUBLIC SCHOOLS PURCHASE ORDER REQUIREMENT

Purchases by Arlington Public Schools are authorized only if a Arlington Public Schools Purchase Order is issued in advance of the transaction, indicating that the ordering agency has sufficient funds available to pay for the purchase. Contractors providing goods or services without a signed Arlington Public Schools Purchase Order do so at their own risk. Arlington Public Schools will not be liable for payment of any purchases made by its employees without appropriate purchase authorization issued by Arlington Public Schools Purchasing Agent.

FAILURE TO DELIVER

In case of failure to deliver goods or services in accordance with the contract terms and conditions, Arlington Public Schools, after due oral or written notice, may procure the goods or services from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which Arlington Public Schools may have; provided that if public necessity requires the use of materials or supplies not conforming to the specifications, they may be accepted and payment therefore shall be made at a reduction in price to be determined solely by Arlington Public Schools.

ETHICS IN PUBLIC CONTRACTING

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The contract incorporates by reference, without limitation, the provisions of law contained in the Virginia Conflict of Interests Act, the Virginia Governmental Frauds Act, Articles 2 and 3 of Chapter 10 of Title 18.2 of the Code of Virginia as amended, and Article 9 of Arlington Public Schools, Purchasing Resolution. The Contractor certifies that its offer was made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor in connection with the offer, and that it has not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

LIABILITY

The Contractor will not be held responsible for failure to perform the duties and responsibilities imposed by the contract if such failure is due to strikes, fires, riots, rebellions, and major forces beyond the control of the Contractor that make performance impossible or illegal, unless otherwise specified in the contract.

ASSIGNMENT

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of any award, or any or all of its rights, obligations, or interests under this contract, without the prior written consent of Arlington Public Schools.

APPLICABLE LAW

This contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth of Virginia. The Contractor shall comply with applicable federal, state, and local laws and regulations, including the Americans With Disabilities Act (ADA) of 1990.

IMMIGRATION REFORM AND CONTROL ACT OF 1986

The Contractor certifies that it does not and will not during the performance of the contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

ANTITRUST

By entering into a contract, the Contractor conveys, sells, assigns and transfers to Arlington Public Schools all rights, title, and interest in and to all causes of action the Contractor may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the goods or services purchased or acquired by Arlington Public Schools under said contract.

RELATION TO ARLINGTON PUBLIC SCHOOLS

The Contractor will be legally considered as an independent contractor and neither the Contractor nor its employees will, under any circumstances, be considered servants or agents of Arlington Public Schools. Arlington Public Schools will not be legally responsible for any negligence or other wrongdoing by the Contractor, its servants or agents. Arlington Public Schools will not withhold from the contract payments to the Contractor any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Further, Arlington Public Schools will not provide to the Contractor any insurance coverage or other benefits, including Workers' Compensation, normally provided by Arlington Public Schools for its employees.

ARLINGTON PUBLIC SCHOOLS PURCHASING RESOLUTION

The contract is governed by the applicable provisions of Arlington Public Schools Purchasing Resolution. The time limit for decision by Arlington Public Schools Superintendent in the event of a contractual dispute, as that term is defined in the Purchasing Resolution, is fifteen days. Procedures for contractual disputes, appeals, and protests are available upon request from the Office of the Purchasing Agent.

PAYMENT OF SUBCONTRACTORS

The Contractor is obligated to take one of the two following actions within seven days after receipt of amounts paid to the Contractor by Arlington Public Schools for work performed by any subcontractor under this contract:

- a. Pay the subcontractor for the proportionate share of the total payment received from Arlington Public Schools attributable to the work performed by the subcontractor under the contract; or
- b. Notify Arlington Public Schools and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.

The Contractor is obligated to pay interest to the subcontractor on all amounts owed by the Contractor that remain unpaid after seven days following receipt by the Contractor of payment from Arlington Public Schools for work performed by the subcontractor under the contract, except for amounts withheld as allowed in b., above. Unless otherwise provided under the terms of this contract, interest shall accrue at the rate of one percent per month.

The Contractor shall include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

A Contractor's obligation to pay an interest charge to a subcontractor pursuant to the above provisions may not be construed to be an obligation of Arlington Public Schools. A contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.

ARBITRATION

It is expressly agreed that nothing under the contract shall be subject to arbitration, and any references to arbitration are expressly deleted from the Contract Documents.

CONTRACTUAL DISPUTES

Contractual claims, whether for money or other relief, shall be submitted to the Purchasing Agent in writing no later than sixty days after final payment, however, written notice of the contractor's intention to file such claim must have been given at the time of the occurrence or beginning to the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after the completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment.

A procedure for consideration of contractual claims shall be included in each contract. Such procedure, which may be incorporated into the contract by reference, shall establish a time limit for a final decision in writing by the Arlington County School Board.

The decision of the Arlington County School Board shall be final and conclusive unless the contractor appeals within six months of the date of the decision on the claim by the Arlington County School Board in accordance with the requirements of sections 15.1-550 through 554 of the Virginia Code.

A contractor may not institute legal action as provided in the Arlington County School Board Resolution prior to receipt of the Arlington County School Board Superintendent's decision on the claim.

PATENTS AND ROYALTIES

The Contractor covenants to save, defend, keep harmless, and indemnify the Arlington County School Board, and all of its officers, departments, agencies, agents, and employees (collectively the "Arlington Public Schools") from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and attorney's fees), charges, liability, or exposure, however caused, for or on account of any trademark, copyright, patented or unpatented invention, process, or article manufactured or used in the performance of the contract, including its use by Arlington Public Schools. If the Contractor uses any design, device, or materials covered by letters patent or copyright, it is mutually agreed and understood without exception that the contract price includes all royalties or costs arising from the use of such design, device, or materials in any way involved with the work.

PROJECT STAFF

Arlington Public Schools will, throughout the life of this Agreement, have the right of reasonable rejection and approval of staff or subcontractors assigned to the project by the Contractor. If Arlington Public Schools reasonably rejects staff or subcontractors, the Contractor must provide replacement staff or subcontractors satisfactory to Arlington Public Schools in a timely manner and at no additional cost to Arlington Public Schools. The day-to-day supervision and control of the Contractor's employees shall be the sole responsibility of the Contractor.

TERMINATION FOR DEFAULT

The contract will remain in force for the full period specified until Arlington Public Schools determines that all requirements and conditions have been satisfactorily met and Arlington Public Schools has accepted the work, and thereafter until the Contractor has met all requirements and conditions relating to the work under the Contract Documents

following the contract term, including warranty and guarantee periods. However, the Arlington County School Board will have the right to terminate the contract sooner if Arlington Public Schools determines that the Contractor has failed to perform satisfactorily the work required, as determined by Arlington Public Schools in its discretion. In the event the Arlington County School Board decides to terminate the contract for failure to perform satisfactorily, Arlington Public Schools will give the Contractor at least fifteen days written notice before the termination takes effect. Such fifteen day period will begin upon the mailing of notice by Arlington Public Schools. If the Contractor fails to cure the default within the fifteen days specified in the notice and the contract is terminated for the Contractor's failure to provide satisfactory contract performance, the Contractor will be entitled to receive compensation for all contract services satisfactorily performed by the Contractor up to the date of termination of the contract and reasonably allocable to the contract and accepted by Arlington Public Schools prior to such termination. However, an amount equal to all excess costs required to be expended by Arlington Public Schools to complete the work covered by the contract, including costs of delay in completing the project, shall be subtracted from any amount due the Contractor or charged to the Contractor in the event the Arlington County School Board terminates the Contract.

Except as otherwise directed, the Contractor shall stop work on the date of receipt of notice of the termination or other date specified in the notice, place no further orders or subcontracts for materials, services, or facilities except as are necessary for the completion of such portion of the work not terminated; terminate all vendors and subcontracts and settle all outstanding liabilities and claims.

GENERAL INSURANCE REQUIREMENTS:

The Contractor shall provide to the Purchasing Agent a Certificate of Insurance indicating the coverages below prior to the start of any work under the contract and agrees to maintain such insurance until the completion of the contract. The minimum insurance coverages shall be:

Workers Compensation - Virginia Statutory Workers Compensation coverage including Virginia benefits and employers liability with limits of \$100,000/100,000/500,000;

Commercial General Liability - \$500,000 combined single limit coverage with \$1,000,000 general aggregate covering all premises and operations and including Personal Injury, Completed Operations, Contractual Liability and, where applicable to the project (as determined by Arlington Public Schools), Products and Independent Contractors. The general aggregate limit shall apply to this project.

Arlington County School Board and all of its officers, departments, agencies, agents and employees is to be named as an additional insured in the Contractor's Commercial General Liability policy. A forty-five (45) day notice of cancellation or non-renewal in writing shall be furnished by the Contractor's insurance carrier(s) or insurance agent(s) to Arlington Public Schools Purchasing Agent. The insurance certificate shall state contract number and title.

SUBCONTRACTS

- (A) The Contractor shall not enter into any subcontract with any subcontractor who has been suspended or debarred from participating in contracting programs by any agency of the United States Government or of the State in which the work under this contract is to be performed.
- (B) The Contractor shall be as fully responsible for the acts or omissions of its subcontractors, and of persons either directly or indirectly employed by them as for the acts or omissions of persons directly employed by the Contractor.
- (C) The Contractor shall insert appropriate clauses in all subcontracts to bind subcontractors to the terms and conditions of this contract insofar as they are applicable to the work of subcontractors.
- (D) Nothing contained in this contract shall create any contractual relationship between any subcontractor and Arlington Public Schools

SUBCONTRACTING WITH SMALL AND MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISE, AND LABOR SURPLUS AREA FIRMS

The Contractor shall take the following steps to assure that, whenever possible, subcontracts are awarded to minority firms, women's business enterprises, and labor surplus area firms:

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- (A) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (B) Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
- (C) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
- (D) Establishing delivery schedules, where the requirements of the contract permit, which encourage participation by small and minority businesses and women's business enterprises; and
- (E) Using the services and assistance of the U.S. Small Business Administration, the Minority Business Development Agency of the U.S. Department of Commerce, and state and local.