

QUESTIONS AND ANSWERS

PROJECT # 10-18

403(b) Investment Product Services

Date: May 24, 2010
To: All Prospective Respondents
From: Houston Community College, Procurement Operations
Subject: Informational Letter # 1 – Request for Proposals (RFP) for 403(b)
Investment Product Services (Project # 10-18)

The following written questions regarding subject RFP were received in the Procurement Operations Office prior to the deadline for submitting written inquiries, of May 27, 2010 at 5:00 p.m. (local time).

Question # 1:

Is each of the TIPSC's individual colleges required to participate in the awarded contract?

HCC Answer:

No. Based on the evaluation, a recommendation list will be provided to each College.

Question # 2:

What is the requested minimum level of financial advisor service? (i.e., monthly / quarterly campus visits? Specific number of advisors per campus? Etc.)

HCC Answer:

This will vary per College.

Question # 3:

Will the Colleges allow for seminars and on-campus meetings to promote the investment platform?

HCC Answer:

This will vary per College.

Question # 4:

There are references to 457 products; is your committee looking for bidders to also submit 457 product information?

HCC Answer:

Yes, for Colleges as indicated: Galveston College and Brazosport College.

Question # 5:

The RFP is not looking for 403(b) FICA Alternative products, correct?

HCC Answer:

Yes, all 403(b) products. Please note if Investment Products differ for FICA Alternative Products.

Question # 6:

The RFP is not looking for Third Party Administrative services, correct?

HCC Answer:

Correct.

Question # 7:

What website should I check for any changes or announcements?

HCC Answer:

www.hccs.edu (click on Business & Community / Doing Business with HCC / Procurement / Current Bids and RFPs, Project 10-18.)

Question # 8:

Will multiple vendors be awarded contracts? How many?

HCC Answer:

This will be determined after the Evaluation Process is complete. It is anticipated that contracts will be awarded to multiple vendors.

Question # 9:

Would you please send a Microsoft Word version of the RFP?

HCC Answer:

No. We release the RFP in a .pdf format only.

Question # 10:

Are we permitted to submit two bids for this RFP: one bid for our Variable Annuity Platform and another for our Mutual Fund Platform?

HCC Answer:

No. HCC shall accept only one (1) proposal per company.

Question # 11:

How many Communications Binders of Marketing Material would you like? You ask for 1 original and 12 copies of the proposal: would you like less copies of the communication binders? If so, how many?

HCC Answer:

Fewer copies of Marketing Materials are acceptable. Three copies will be sufficient.

Question # 12:

You requested audited financial statements for the past 3 years. Can these be on CDs, or do you require a hardcopy version?

HCC Answer:

Yes, audited financial statements can be submitted via CD, along with other submissions.

Question # 13:

In the proposal, should we reference you as Texas Investment Provider Selection Committee (TIPSC), or Houston Community College (HCC)? On the forms?

HCC Answer:

You should reference Houston Community College (on behalf of TIPSC). Awarded Contracts will be between the selected Company and HCC, on behalf of TIPSC.

Question # 14:

Do you require a sample fund line-up within our variable annuity? For example, our variable annuity has 83 funds, but would you like a sampling of these funds to be included in the fund data you request?

HCC Answer:

Include all funds that you propose to offer to TIPSC Colleges.

Question # 15:

Do you currently use a TPA? Who is the TPA? Are any costs passed to the participants? If so, what are the costs?

HCC Answer:

All Colleges except Blinn College, Galveston College and San Jacinto College contract with TSA Consulting Group as Third Party Administrator (TPA). No costs are passed to participants.

Question # 16:

Do you have the collective estimated assets under management? (The RFP said it was estimated to be about \$250M -- is that just for the TSA plan?)

HCC Answer:

Documented aggregated ORP and TSA assets from Colleges that have responded as of May 24, 2010 total \$441M.

Question # 17:

Do you have total assets for the ORP plan?

HCC Answer:

See question #16. A breakout between ORP assets and TSA assets is not currently available.

Question # 18:

How many eligible participants, across all colleges?

HCC Answer:

The approximately 8,100 active participants (Attachment No. 2, Scope of Services) do not include TSA participants for several Colleges.

Question # 19:

Is the ORP plan a 403(b) or a 401(a)?

HCC Answer:

ORP is a 403(b) plan.

Question # 20:

Do you have specific figures for the 457 plan? Specifically, the number of eligible participants? Active participants? 2009 contributions? Total assets under management?

HCC Answer:

No. Only two (2) Colleges, Galveston College and Brazosport College are requesting 457 plan provider proposals.

Question # 21:

For the ORP plan, what percentage do the Employers contribute? What is the formula? Is there a vesting schedule?

HCC Answer:

Currently, the employer contribution is 6.4% by State of Texas. Colleges may contribute up to 2.1% additionally by annual Board discretion. Vesting schedule is after one year and one day.

Question # 22:

What is the payroll for all of the colleges?

HCC Answer:

The Colleges have not provided this information.

Question # 23:

What is the anticipated implementation date?

HCC Answer:

The anticipated implementation date is September 1, 2010. This will be determined after the Evaluation Process in complete.

Question # 24:

How many new providers will you choose? Are you looking to pare down the number of current providers?

HCC Answer:

This will be determined after the Evaluation Process in complete.

Question # 25:

Will we receive answers to our questions directly? How will we be notified of any addenda?

HCC Answer:

All written questions and answers thereto will be posted on the HCC Website. You may obtain current information by visiting HCC Website: www.hccs.edu (click on Business & Community / Doing Business with HCC / Procurement / Current Bids and RFPs, Project 10-18.)

Question # 26:

The RFP speaks to your Small Business Development Program. The products and services we provide to our clients are all done in house and our corporate headquarters is not located in TX. Does this SBDP requirement apply to this particular RFP and the type of services you are looking for? If so, how do you want us to handle the required documents since we don't use other businesses as a part of our business model?

HCC Answer:

SBDP "Best Effort" requirement does apply to this RFP. If it does not apply to your company, please complete the forms by stating "not applicable".

Question # 27:

Attachment 14, Insurance Requirements. We have coverages in place that meet your requirements. However, we do not name clients as additional insured. We have had success easing other clients concerns about this topic via a conference call. Would you be open to such a call?

HCC Answer:

No. Naming HCC as an additional insured is a requirement to contract with HCC.

Question # 28:

How many vendors do you anticipate selecting per category?

HCC Answer:

This will be determined after the Evaluation Process is complete. It is anticipated that at least four (4) vendors will be selected per category. Of the selected vendors, it is anticipated that at least one will provide mutual fund investments and at least one will provide annuities.

Question # 29:

Is the Texas Investment Provider Selection Committee ("TIPSC") looking to partner with investment providers for each member's 403(b) plan only or 403(b) and 457(b) plans?

HCC Answer:

For all 403(b) plans and for 457 plans of Colleges where noted in the RFP. Please indicate if your firm is able to provide 457 plan and provide detail of the products if different from 403(b) plans. If the same products are available for either 403(b) or 457 plans, please state that all products are available for both plans.