



## CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE ACT BOARD

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### Achieving a Better Life Experience (“ABLE”) Act Board

#### Request for Proposals No. ABLE 01-23 529A Program Plan Manager

#### Answers to ABLE 01-23 RFP Written Questions

- 1) Does the Board require two sets of Required Attachments with original signatures or is one set with original signatures and one copy sufficient?

*Answer: Your submission must contain four total proposals:*

- *One unbound original proposal **with original signatures throughout** (including on all Required Attachments)*
- ***Two** copies of the original proposal. The copies do **not** need to contain original signatures; copied signatures are sufficient.*
- *One digital copy of the proposal, as described in Section 3.4(c).*

*Please review the instructions in Section 3.4, Submission of Proposal, for further information.*

- 2) If the bidder's proposal contains confidential information that is exempt from public disclosure under the California Public Records Act, would the submission of a separate redacted proposal be acceptable in order to clearly identify and segregate the confidential information?

*Answer: Upon proposal opening, all documents submitted to this RFP will become the property of CalABLE and will be regarded as public records under the California Public Record Act (PRA). CalABLE cannot accept redacted proposals. Firms may identify what they believe to be exempt from the PRA.*

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*In the event of a PRA request, CalABLE will determine what, if anything, is exempt under the PRA.*

- 3) Are there unique CA state specific statutes that we need to consider and/or pending legislation?

*Answer: Proposals should follow all state and federal law (including all the statutes mentioned in the RFP/Agreement itself).*

- 4) Will the State require documentation for accounts opened by an Authorized Legal Representative (Authorized Individual)? If so, for all, or will the State require documentation based on the Hierarchy type? Hierarchy in order: POA, Conservator, Guardian, Spouse, Parent, Sibling, Grandparent, Rep Payee?

*Answer: At this time, the State does not intend to require documentation.*

- 5) Page 5, section 1.4(d)(ii)(B) what does “provide a dedicated enrollment solution for entities serving as ALR” mean? How would this dedicated enrollment solution differ from the standard solution?

*Answer: CalABLE's current enrollment process is designed for ALRs who are individuals. We know, however, that many guardians, conservators, and other ALRs are actually entities (i.e., businesses, agencies, organizations, non-profits, etc.). These entities are not able to properly open a CalABLE account using the Program's current system, because the enrollment form fields do not support the input of entity information.*

*For example, the Program's current enrollment system asks ALRs to input fields (e.g., First Name/Last Name, SSN, Date of Birth, etc.) that a legal entity would not have. The current system also omits additional fields that may be required for entities, such as information about the entity's representative (e.g., the specific employee who will oversee the account on behalf of the entity ALR). CalABLE seeks an enrollment solution that supports the input of entity-appropriate informational fields.*

*CalABLE does not, however, require a separate, stand-alone process for entity enrollment. Individual and entity ALR enrollment may be accomplished via one form/process, but that form/process must be drafted and designed to*

*accommodate both entities and individuals. For example, the enrollment process could direct individuals to fill out one section of the form, and entities to fill out another section of the same form.*

- 6) Would the Board consider issuing an addendum to the RFP to remove or adjust the following as requirements from *Scope of Work, Administration, Recordkeeping, and Banking* 1.4(d)(ii) starting on page 5:
- B. Provide a dedicated enrollment solution for entities serving as ALR
  - C. Provide paper application
  - AA. Any other reasonably related administrative services necessary to operate CalABLE

*Answer: CalABLE issued an addendum on November 18, 2022, removing "AA. Any other reasonably related administrative services necessary to operate CalABLE." CalABLE will not remove or adjust the requirements for entity enrollment or paper application. For more information related to the entity enrollment requirement, see Answer to Question 5, above.*

- 7) As an alternative to removing the requirement to provide a paper application, given the significant increases to operating costs driven by the requirement to provide a paper application, could bidders submit a response that lists pricing with and without the paper application option in our cost proposal so that the State could be aware of all considerations?

*Answer: CalABLE serves a diversified community and has received requests for paper applications. In order to serve all CalABLE consumers, firms are required to provide a paper application as part of the Scope of Work. All cost proposals should be priced accordingly. Cost proposals may still include a separate paper application fee (that could be required as part of enrollment), but CalABLE will not consider alternative cost proposals that exclude paper applications.*

- 8) Would the Board consider issuing an addendum to the RFP to remove or adjust the following requirement from *Scope of Work, Customer Service* 1.4(e)(ii) on page 8: "There must also be a voice response unit."

*Answer: No, this is a required part of the Scope of Work. To clarify, the requirement is simply for an after-hours voicemail system that permits individuals to leave messages during times when the customer call center is not open.*

- 9) 3.3.7 Program Fees states: “*Note that the costs, fees, rates, and breakpoints you specify in your Proposal **cannot be increased, nor can any fees or costs be added**, during the entire term of the contract, including any extensions, except with Board approval, and only in the event of either (1) a material change in services not already covered in or contemplated by this RFP, or (2) a change of a subcontractor named in the contract or this RFP.*”

Over the full term of the agreement (potentially 10 years), there may be circumstances which require an increase or additional fees to be added. We understand that adding or changing fees will require additional approvals and an amendment to the agreement, but would the Board be willing to issue an addendum to the RFP to remove or adjust this language?

*Answer: No. Under the awarded contract, fee changes are limited to the circumstances described in the above-quoted language. Please see the Standard Agreement, Exhibit B, Section 6. These limitations will remain unless future legal processes (which are not guaranteed to be successful) are undertaken to adjust the awarded contract.*

- 10) Page 10, Section 2 - Minimum Qualifications for Firms - This section requires subcontractors to establish compliance with all minimum qualifications except subsection (a). As it relates to subsection (d), all of the services detailed under Sections 1.4(a)-(g) of the Scope of Work may not be applicable to the work being performed by a specific subcontractor, is it acceptable if the subcontractor does not meet the minimum requirements set forth in subsections (d), so long as the bidder meets all the minimum requirements set forth Section 2.

*Answer: The section of the RFP has been updated, please reference Addendum No. 1 dated 11/18/2022.*

- 11) 9.4 Work Order Fees on page 15 of the Standard Agreement states:

*“Any work done and any features or enhancements developed pursuant to a Work Order shall be solely used for the benefit of the Program, and shall not be used for the benefit of or made available in whole or in part to any of Contractor’s other current or future clients, unless (1) the Board gives written permission*

*and (2) Contractor refunds to the State the full amount of payment made by the State for the Work Order.”*

Would the Board be willing to issue an addendum to the RFP to adjust the language to provide that written permission by the Board shall not be unreasonably withheld, and to limit exclusivity of any new features or enhancements to a set period of time (e.g., 2 years from implementation or at termination of the initial agreement)?

*Answer: The section of the RFP has been updated, please reference Addendum No. 2 dated 11/22/2022. CalABLE cannot adjust the language in section (2). If the Program pays for the Contractor to develop certain features or enhancements, those features and enhancements shall be exclusive to CalABLE, unless the Contractor refunds the Program's Work Order payments.*

- 12) In lieu of an addendum as mentioned in previous questions, may we provide a redline version of the Standard Agreement with our proposed edits to the terms on the Standard Agreement as proposed in the RFP?

*Answer: By submitting a proposal, your firm agrees to the terms and conditions stated in this RFP. Any proposal submitted with proposed changes to the Standard Agreement's Terms and Conditions may be considered nonresponsive and rejected by the ABLE Act Board.*

- 13) Given the complexity of the RFP and upcoming holiday season, would the Board consider extending the submission date to January 13, 2023?

*Answer: The State will extend the date to January 10, 2023. The section of the RFP has been updated, please reference Addendum No. 1 dated 11/18/2022.*

- 14) As the current CalABLE program/plan management is provided by an investment management vendor as the prime contractor and the Administration, Recordkeeping, Banking, Prepaid Card and Customer Service functions are separately provided by a subcontractor, will the State accept a proposal as responsive which offers to provide the underlying 529A program/plan management services, including Administration, Recordkeeping, Banking, Prepaid Card and Customer Services but which does not propose a specific investment management vendor/solution, and which is agnostic and can interface with any investment management vendor the State chooses, in

order for the State to maintain greater control over its options, while minimizing disruption and delivering a seamless transition for existing account holders?

*Answer: No. Firms, either on their own or in conjunction with subcontractors, have to provide all services, including investment services.*

- 15) As the current CalABLE program/plan management is provided by an investment management vendor as the prime contractor and the Administration, Recordkeeping, Banking, Prepaid Card and Customer Service functions are separately provided by a subcontractor, will the State accept a proposal as responsive which offers to provide the underlying 529A program/plan management services, including Administration, Recordkeeping, Banking, Prepaid Card and Customer Services but which includes two or more options for investment management vendors, in order to for the State to maintain greater choice over investment management options, while minimizing disruption and delivering a seamless transition for existing account holders?

*Answer: Yes.*

- 16) We would like to discuss either retaining your card provider or converting to TrueLink, our current pre-paid card vendor. If the State would like to retain US Bank, can you provide the details around your current integration?

*Answer: The current prepaid card provider is integrated with the current Program administrator's platform, and not the Program itself. Firms should propose their own card provider.*

- 17) How many active prepaid cards are currently supported?

*Answer: Since the launch of the new card approximately 2.5% of account holders have activated their prepaid card.*

- 18) What is the call center volume as it relates to the card?

*Answer: Since the launch of the new card, call volumes driven by the prepaid card make up approximately 5% of the CalABLE Engagement Center total call volume.*

- 19) We note that one of the underlying investments is a Funding Agreement (GIC) issued by TIAA. Given the relatively small balance will TIAA agree to waive the redemption limitations of the GIC, or will we need to "run-off" the assets over a



period of five years? Given the current rate environment the 3% cap on interest paid to participants seems very restrictive.

*Answer: No. Firms should not assume a change in contract terms.*

- 20) We note that the rate paid to the participant recently increased. What is the current methodology for determining the interest rate paid to participants? Is it formulaic? Is the State consulted?

*Answer: The Program's current FDIC-Insured Portfolio is controlled by the current Program Manager. The State does not have a say. Firms should propose the product that they think best suits transactional users.*

- 21) Does the state have an outreach team that the Program Manager will work with to promote the Program?

*Answer: Yes. The State has outreach professionals on staff at CalABLE.*

- 22) Does the state have any existing relationships with external vendors/marketing agencies that should be taken into consideration?

*Answer: The State has a marketing contract with an external vendor, which expires in June 2023, with a one-year extension option. The State will review the possibility of an extension once a Contractor is selected.*

- 23) Are all press/earned media opportunities handled through the Treasurer's PR team, or can we supplement their efforts?

*Answer: Yes, we will consider supplementary suggestions from the selected Contractor. The State has access to the Treasurer's PR team and other paid media sources with our marketing consultant.*

- 24) "Describe how you will support the Board in its efforts to reach out and educate CalABLE stakeholders. Please describe any other services you can offer for Program marketing and outreach." **Question:** Can you clarify what audience is included in stakeholders?

*Answer: Current and potential participants as well as key advocacy groups.*

- 25) Will we have direct contact with your current provider as part of a Conversion?

*Answer: In the event of a conversion, the selected Contractor will have direct contact with, and will work through, CalABLE's current Program Manager, TIAA-CREF Tuition Financing.*

26) Do any of the current fees accrue to the State or are they all retained by the record keeper?

*Answer: The current State Administrative Fee accrues to CalABLE; the Annual Maintenance Fee accrues to the Program administrator. Firms should propose fees they will collect; the State will determine the appropriate fee it will charge.*