
SEPTEMBER 25, 2018

**AGENDA ITEM 6
ACTION ITEM**

CALIFORNIA ABLE ACT BOARD

***Resolution No. 2018-07: Approval to Issue Request for Proposals for 529A
Program Consulting Services***

Action Recommended

Adopt Resolution No. 2018-07 authorizing the Executive Director to issue a Request for Proposals No. ABLE 02-18 (“RFP”) for 529A Program Consulting Services.

Background

The task of developing and implementing a savings program is complex work that requires a high level of knowledge and expertise with respect to the 529 and 529A industry and the laws to which it is subject. The California ABLE Act Board (“Board”) has limited staff resources. For these reasons, staff is recommending procuring the services of a qualified 529A program consultant to provide the Board assistance with Program development and implementation, including drafting regulations, providing the Board with expertise on the 529A industry, and assisting staff with drafting requests for proposals for 529A program/plan management services and 529A investment consulting services.

The term of agreement of this RFP is for one (1) year for an amount not to exceed \$150,000 with the option to extend two (2) times for an additional year at the same or lower rate(s).

The Board has an existing contract with AKF Consulting Group, LLC which is set to expire in December 2018. However, staff continues to have ongoing need for these services.

Scope of Services

The Scope of Work in the RFP includes the following:

- The Contractor will make recommendations on Program design and structure. On an ongoing basis, the Contractor will provide informational updates and insight on the 529A industry. The Contractor will provide the Board and the Board’s staff strategic consulting advice for the Program.

- As needed, the Contractor will assist with drafting and implementing regulations, both emergency and regular, to ensure conformity and alignment with federal and state statutes pertaining to the Trust. These regulations must adhere to requirements under Welfare and Institutions Code section 4875 et seq., IRC Section 529A, and Internal Revenue Service regulations. As needed, the Contractor will review and edit draft regulations, and assist with any necessary changes requested by the Office of Administrative Law (“OAL”) or as a result of public comments during the emergency and regular rulemaking period.
- The Contractor will assist with public hearings and stakeholder meetings as requested by the Board. Approximately 12 public hearings and 2 to 4 stakeholder meetings will be held on an annual basis. The Contractor will assess comments from the public and other stakeholders as requested by the Board and provide recommendations for Program changes based on 529A industry best practices.
- As needed, the Contractor will participate in the development of requests for proposals and the subsequent selection processes as a subject matter expert to procure various program services, such as an investment manager, a program administrator, and an investment consultant. The Contractor will provide drafts of the requests for proposals by a timeframe that is mutually agreed upon by both the Contractor and the Board and/or the Board’s staff. The requests for proposals must comport with California state procurement laws.
- The Contractor will assist the Board by providing 529A program trends and comparisons, including advising the Board of new or different strategies that could be employed to increase participation in the Program and offering opinion or strategy on Program name, branding, distribution, and marketing.
- The Contractor will provide an analysis of program manager’s performance, particularly in marketing and administrative areas using monthly, quarterly and annual data. The Contractor will also assist in the evaluation of marketing and administrative benchmarks.
- The Contractor will review Program disclosure language and keep abreast of regulatory issues on the Board’s behalf.
- The Contractor will work with the Board’s contractors, such as the investment consultant and program manager, as needed. If qualified to do so and as needed, the Contractor may also participate in the development of the Board’s Statement of Investment Policy (or Investment Policy Statement), Monitoring Procedures and Investment Performance Criteria, and Administrative Performance Criteria by reviewing and advising the Board and its staff, and collaborating with the Board’s investment consultant and program manager towards a mutually agreed upon final work product.
- The Contractor will provide a second opinion (the Board will have a primary investment consultant) on investments and investment performance if Bidder, or a subcontractor, is qualified.

- The Contractor will attend all Board meetings unless notified otherwise by the Board. It is anticipated that the Board will meet approximately once every month. The Contractor will attend other meetings pertaining to the 529A industry (Internal Revenue Service, Securities and Exchange Commission, other states, or others) with or on behalf of the Board as requested.
- The Contractor will be available to consult with Board members and the Executive Director from 8:00 a.m. to 5:00 p.m. Pacific Time, Monday through Friday.
- The Contractor will respond to the need for telephone consultation within a 24-hour period and be available for meetings with the Board with no greater than 10 days' notice.

Minimum Qualifications

Bidders must certify that they meet the following minimum qualifications:

- Bidder must have a minimum of three years of experience providing 529 program consulting services to or on behalf of public or private entities (IRC Section 529).
- Bidder must be qualified to do business in the State of California and must provide either (i) evidence of registration from the California Secretary of State or (ii) certification that no impediments to registration exist.
- If applicable, Bidder must hold and maintain all licenses and registrations required by applicable federal and state laws for businesses offering investment and municipal advisory services. All such licenses and registrations must be current and in good standing.

Schedule (Key Action Dates)

Date	Action
September 26, 2018	RFP available to Prospective Bidders
October 3, 2018, 4:00 p.m. (PT)	Deadline to Submit any Written Questions
October 5, 2018	Answers to Written Questions Distributed
October 22, 2018, 4:00 p.m. (PT)	Deadline to Submit Proposals
October 23 – October 28, 2018	Evaluation of Proposals
October 29, 2018	Notice of Intent to Award Contract
November 5, 2018	Proposed Contract Award Date
December 1, 2018	Commencement of Contract (pending Board and DGS approval)

Evaluation and Scoring

All proposals will be reviewed by an evaluation committee. The initial review of the proposals will confirm that all information has been submitted in conformity with the requirements of this RFP. The absence of required information will cause a proposal to be deemed nonresponsive and may result in the proposal's disqualification.

Responsive proposals will then be scored according to criteria herein. The scored categories and the corresponding weighting of each scored category is as follows:

Scored Category	Weighting
Background and Personnel Information	30 points
Consulting Experience/Expertise in 529 or 529A Industry	40 points
Cost	30 points
Total Possible Points	100 points

Attachments

- Attachment #1 – Resolution No. 2018-07
- Attachment #2 – Draft RFP No. ABLE 02-18 Request for Proposals for 529A Program Consulting Services