

**REQUEST FOR PROPOSAL  
FOR  
529 PREPAID RECORDS ADMINISTRATION**

**PACT PROGRAM  
STATE TREASURER OF ALABAMA**

**Release Date: August 7, 2017  
Proposal Due Date: August 25, 2017**

***BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT COMPLIANCE***

**The Beason-Hammon Alabama Taxpayer and Citizen Protection Act (§§31-13-1 et. seq, Code of Alabama, 1975 as amended by Act 2012-491) regulates illegal immigration in the State of Alabama. All contracts with the State or a political subdivision thereof must comply with that law.**

**For the purposes of this RFP and any responding Proposal, the following sections of that law impose specific requirements:** Section 9 (a) of the Act provides “As a condition for the award of any contract, grant, or incentive by the state, any political subdivision thereof, or a state-funded entity to a business entity or employer that employs one or more employees, the business entity or employer shall not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama.”

Section 9(b) of the Act requires “As a condition for the award of any contract, grant, or incentive by the state, any political subdivision thereof, or a state-funded entity to a business entity or employer that employs one or more employees within the State of Alabama, the business entity or employer shall provide documentation establishing that the business entity or employer is enrolled in the E-Verify program.”

As provided in the Act a “**business entity**” is *any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit* and an “**employer**” is defined as *any person, firm, corporation, partnership, joint stock association, agent, manager, representative, foreman, or other person having control or custody of any employment, place of employment, or of any employee, including any person or entity employing any person for hire within the State of Alabama, including a public employer. This term shall not include the occupant of a household contracting with another person to perform casual domestic labor within the household.*

A Proposal must include a statement that the Proposer has knowledge of this law and is in compliance. Before a contract is signed, the Contractor awarded the contract must submit a Certificate of Compliance using the form at Exhibit D to this RFP and, unless exempt because it has no employees in the State of Alabama, a complete copy of the Memorandum of Understanding issued by the United State Department of Homeland Security upon enrollment in the E-Verify Program. E-Verify enrollment can be accomplished at the website of the United States Department of Homeland Security at <http://www.uscis.gov>.

See Section 10 for additional language required by Section 9(k) of the Act to be included in the contract.  
*Rev.5-14-13*

**1. Overview**

Alabama Treasurer Young Boozer (hereinafter “Treasurer”), at the direction of the Board of Directors (hereinafter “Board”) of the Prepaid Affordable College Tuition Program (hereinafter “PACT”, “Program”) solicits proposals from qualified professional firms interested in providing records administration services (hereinafter “Firm”) to the PACT Program. The Board is empowered to administer the Program by §16-33C-5, Code of Alabama, (1975).

This Request for Proposals (“RFP”) is issued in accordance with the requirements of §41-16-72(4), Code of Alabama (1975). This RFP is not an offer to contract but seeks the submission of proposals from qualified, professional firms that may form the basis for negotiation of a contract or agreement.

**2. Background**

PACT is a qualified 529 prepaid college savings program whereby prepaid college tuition contracts were sold to purchasers to pay in advance college tuition and qualified fees for beneficiaries. The program is no longer open to enrollment. This program is administered by the State Treasurer in accordance with the statute and the rules, regulations and guidelines established by the Board.

A class action settlement was entered into between PACT Class Members and the PACT Board of Directors and Trustees in 2011 to establish a baseline monetary amount to be remitted in the future as payment of tuition and qualified fees under PACT contracts. The settlement is expressly conditioned upon the appropriations of earmarked funds to the PACT Trust Fund as set forth in Act 2010-725.

**3. Current Program Information**

Currently, PACT has 20,460 active accounts. As of 6/30/17, there are 14,490 eligible beneficiaries with 12,125 of those matriculating. Actuary expectations are that the Program will make its last payment in the year 2032.

Below are the number of active contracts by projected enrollment year as of 09/30/2016.

Projected Enrollment Year	Number of Contracts
2017 – 2018	1458
2018 – 2019	1385
2019 – 2020	1191
2020 – 2021	913
2021 – 2022	700
2022 – 2023	396
2023 – 2024	277
2024 – 2025	232
2025 – 2026	150
2026 – 2027	90
2027 – 2028	13

Additional information about the PACT program is available at [treasury.alabama.gov/pact](http://treasury.alabama.gov/pact).

The Treasurer will furnish the successful respondent with the data or statistical information necessary for performing the services required in this RFP. All information furnished by the Treasurer shall be used only for the intended purpose and shall not be disclosed to any other party.

#### **4. Minimum Qualifications**

In order to be considered for selection, the Firm must provide Exhibit C as documented proof that the following minimum qualifications listed below are met. The Firm has a continuing obligation to disclose information throughout the RFP process should any qualifications or situations change that might render the Firm as an unqualified candidate.

- a. The Firm has been in business for at least five years conducting similar services as described in this RFP, as of December 31, 2016.
- b. The Firm selected shall qualify with the Secretary of State to conduct business in the State of Alabama, if applicable. (To download the form for a “Certificate of Existence”, access [sos.state.al.us](http://sos.state.al.us), business services, or call 334-242-5324 to Request the form.)
- c. The Firm and its personnel have all authorizations, permits, licenses, and certifications as may be required under federal, state or local law to perform the services specified in this RFP at the time it submits a response to the RFP.
- d. The Firm will carry errors and omissions insurance or comparable instrument to cover negligent acts or omissions.
- e. The Firm maintains sufficient procedures and capabilities to ensure the timely and accurate backup and full recovery for all computers and other data storage systems related to the PACT account.
- f. The Firm has a company policy and practice of equal employment opportunity and non-discrimination based on race, creed or gender.
- g. The Firm will comply with *The Beason-Hammon Alabama Taxpayer and Citizen Protection Act*.

#### **5. Fees**

The Firm shall be entitled to receive quarterly compensation in arrears.

#### **6. Proposal Required Information**

Proposals should be as thorough and detailed as possible so that your capabilities to provide the required services can be properly evaluated.

To be considered, responses to the RFP must include:

- a. A brief transmittal letter
- b. Exhibit A, Proposal
- c. Exhibit B, Statement of Fees
- d. Exhibit C, Minimum Qualifications
- e. Exhibit D, Certificate of Compliance
- f. Disclosure Statement
- g. Other Documents:
  - (1) Sample of contracts and all information that may be viewed regarding the contract
  - (2) Sample of reports that can be generated and/or utilized in the system
  - (3) Sample of all standardized forms and letters
  - (4) List of software licenses or agreements that PACT would be required to procure in

order to fully utilize your services

All proposals submitted in response to this RFP must include one original and completed Disclosure Statement as required by Section 41-16-80, et seq., Cole of Alabama (1975). Copies of the Disclosure Statement, and information, may be downloaded from the Alabama Attorney General's web site at [ago.alabama.gov/File-AL-Vendor-Disclosure-Statement](http://ago.alabama.gov/File-AL-Vendor-Disclosure-Statement).

## **7. Submission of Proposals**

**Issuing Office.** The State Treasurer serves as Chairman to the Board and, in this capacity, is issuing the RFP on behalf of the Board.

Office of State Treasurer Young Boozer  
Alabama State Capitol  
600 Dexter Avenue, Suite S106  
Montgomery, Alabama 36104  
Phone: 334-242-7501

**Submission Deadline.** It is the responsibility of the Respondent to ensure that its proposal is timely delivered and received in the Treasurer's Office on or before 5:00 p.m. on July 28, 2017. Provide one original proposal response plus two additional copies to facilitate the response evaluation process. Email an electronic copy of the response to: [Brittany.matthews@treasury.alabama.gov](mailto:Brittany.matthews@treasury.alabama.gov) for retention purposes. If your response includes confidential trade secrets or proprietary information, also send an electronic version with those sections redacted in the event a public information request for your response is received (see Section 10 for additional information).

**Questions and Inquiries.** The sole point of contact for purposes of this RFP is Anita Kelley. Any questions or inquiries should be directed to [anita.kelley@treasury.alabama.gov](mailto:anita.kelley@treasury.alabama.gov) by August 17, 2017 to ensure a timely response. Any oral communications shall be considered unofficial and nonbinding on the State.

**Rejection of all Proposals.** The Board reserves the right to reject any or all proposals and/or to solicit additional proposals if that is determined to be fiscally advantageous to the State or otherwise in its best interests.

## **8. Efforts to Influence Selection Process Prohibited**

The integrity of the Request for Proposals process is of primary importance and will not be compromised. Any written or oral communications beyond the RFP Response made by responders, or others on their behalf, whether paid or unpaid, to influence the selection process, from the time the RFP is issued through its conclusion, made directly or indirectly to the Treasurer, Board members or Treasury staff will be grounds for immediate elimination from the selection process.

## **9. Evaluation and Selection**

After the review and evaluation of the proposals, the Board may conduct interviews. Finalists chosen for interviews, if necessary, will be notified. The Board will select the Firm the Board determines, in its sole discretion, to be fully qualified and best suited among those submitting proposals to meet the needs of PACT in a cost-effective manner. The Board reserves the right to request a best and final offer for fees from finalists.

## **10. Agreement**

All duties of the Records Administrator shall be set forth in a contract agreement between the Firm and the Board. It is expected the term of the contract will be for a ten-year period. The contract will incorporate reference to the requirements of the RFP and the Firm's proposal as negotiated.

In compliance with the Beason-Hammon Alabama Taxpayer and Citizen Protection Act (§31-13-9(k), Code of Alabama, 1975, as amended), the contract will include the following language:

*“By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom.”*

In compliance with Act 2016-312, §1. (§41-16-5, Code of Alabama, 1975, as amended) the contract will include the following language:

*“The contractor hereby certifies that it is not currently engaged in, and will not engage in the boycott of a person or entity based in or doing business with a jurisdiction with which this state can enjoy open trade.”*

You are charged with knowledge that there are certain terms standard to most commercial contracts in private sector use which the Board is prevented by law and policy from accepting. These include (1) indemnification and hold harmless of the vendor or third parties, (2) consent to choice of law and venue other than the State of Alabama, (3) methods of dispute resolution other than negotiation and non-binding mediation, (4) waivers of subrogation and other rights against third parties and (5) some provisions limiting damages to the cost of goods or services.

## **11. Public Information**

All responses received will be subject to the Alabama Open Records Act, §36-12-40, Code of Alabama and may be subject to public disclosure upon request. The Open Records Act is remedial and should therefore be liberally construed in favor of the public. The Alabama Trade Secrets Act is §8-27-1 through §8-27-6, Code of Alabama. Responders are cautioned to be familiar with these statutes. The burden is on the one asserting the trade secret to show that the information sought to be protected meets the definition of a Trade Secret as defined in the Act.

Any RFP response submitted that contains confidential, trade secrets or proprietary commercial information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as such. Identification of the entire Proposal as confidential is not acceptable unless the Firm enumerates the specific grounds or applicable laws which support treatment of the entire material as protected from disclosure according to the foregoing statutes or other applicable Alabama law.

The owner of the confidential information shall indemnify and hold the State of Alabama, the State Treasurer, and Treasury staff harmless from all costs or expenses, including but not

limited to attorney fees and expenses related to litigation concerning disclosure of said information and documents.

## Exhibit A **Proposal**

### **Part I. Organization**

- A. Provide an overview of your firm, including corporate profile, firm experience, quality control procedures, ownership structure, financial condition, and overall business objectives. Include the firm's plans relative upgrades to the system and services included in this RFP. What are the future plans for this system?
- B. Provide a listing of all vendors or subcontractors your firm will partner with to provide services to PACT.
- C. Provide a listing of all "related" or "affiliated" firms.
- D. Provide details of any past or pending litigation relating to your firm, individual personnel, or to the management of client assets.
- E. Provide details of any claims, disputes, litigation or other legal proceedings where your firm is involved with the State of Alabama or any of its agencies, or has been involved, in the three preceding years.
- F. Provide details of all SEC fidelity bonds and any other fiduciary insurance your firm carries. Provide a summary copy of your errors and omission insurance policy.
- G. Describe the external audit processes of your operating systems. Has the firm ever received a qualified opinion? If so, please provide detail. Is a SSAE 16 audit performed annually?

### **Part II. Personnel**

Provide biographies of the person/persons/or team members who will be assigned to this account.

### **Part III. Account Management**

- A. How long has your firm been providing records administration services? How many clients currently use this service?
- B. Provide the following information on at least three clients (including contact persons for whom similar services as described in this RFP are provided):
  1. Company
  2. Address
  3. Contact
  4. Telephone Number
  5. Length of Relationship in Years
  6. Services Provided
- C. Describe your pertinent experience in providing records administration services to 529 Qualified Tuition Plans or similar programs.

### **Part IV. Records Administration Services**

- A. Technical Services:
  1. Please list the operating systems and versions supported by the software.
  2. Describe any hardware/software requirements associated with the proposed system. Do you provide any hardware to PACT? Is the operating system web based or operate on proprietary software?
  3. How many concurrent users can the system accommodate?
  4. Describe the system's functionality and processes for:
    - a. Processing account contributions, withdrawals, delinquencies, refunds and cancellations.
    - b. Account inquiries.

- c. Providing online access to colleges and universities for eligible, ineligible, depleted and graduated rosters. Who manages connectivity and username/password issues?
  - d. Providing account management for matriculation, including adjusting hours and fee term benefits as well as invoiced/paid amounts.
  - e. Providing financial analysis for issuing refunds on cancelled accounts and for reinstatement of cancelled accounts.
  - f. Receiving and processing all invoice payments for posting to beneficiary accounts.
  - g. Processing corrections to accounts when necessary.
  - h. Attaching documentation and notes to individual accounts.
  - i. Providing secure web access to purchaser accounts with the ability to perform certain functions online. What functions can be performed online? Does the system support digital signatures? If not, what are the plans to provide this function? Who manages username/password issues.
  - j. Administering billing and collection activities.
  - k. Providing document imaging/management. What format is used?
  - l. Proper billing of participant payments. Would participants be able to pay by coupon book, payroll deduction and ACH?
  - m. Annual letters generation. Current letters are generated in PACT office and sent to a printer for distribution. Letters include *1099Q*, *Annual Statement*, *First Time in College*, *Usage Statement* and *Soon to Expire*.
  - n. Daily letter generation. Currently, confirmation letters are generated any time a change or update is made to an account.
  - o. Updating letter formats when changes or additions are needed.
  - p. Providing access to form letters for account owners and beneficiaries such as Change of Beneficiary, Change of Address, Change of Purchaser.
  - q. Assigning incoming documents to individual PACT staff for processing.
  - r. Maintaining current tuition and mandatory fee charges for each Alabama public college and university as well as the fixed amount per hour for all private and out of state schools.
  - s. Providing a comprehensive annual report to PACT within 30 days after the end of the year, either fiscal or annual as requested by PACT to include payments posted, account usage and school information.
5. Provide the downtime statistics for your recordkeeping system for the past three years (by month).
  6. Describe the technical system training that will be provided by your firm (on site, online, etc.). Are there additional costs for training? If so, these must be included in your cost proposal.

## B. Security

1. What technology does the system utilize for addressing security?
2. What processes are in place to prohibit unauthorized access to the database?
3. What processes are in place to address online security?
4. Does the system allow for customizable levels of access and functionality? Please explain.
5. Describe your processes for ensuring the confidentiality of participant information and records along with the segregation of all PACT records from other customer databases.



C. Maintenance:

1. Describe your method for developing and implementing software patches and providing general system maintenance.
2. Describe your typical response times for resolving issues.
3. What measures are in place to monitor the timeliness and quality of issue resolution?
4. Is there an additional cost for maintenance, patches, etc.?
5. Are system upgrades made available? If so, how often and, are the upgrades mandatory? Is there additional cost for implementation of upgrades?

D. Other Services:

1. Does your firm currently perform an annual *American Institute of Certified Public Accountants* (AICPA) SSAE16 audit?
2. Can you provide audited corporate financial statements for each of the operational years during the agreement?
3. Describe your processes for ensuring PACT compliance with all applicable laws, federal regulations, SEC, Municipal Securities Rule Board and other agencies, including any required filings.

E. Reporting and Statistics:

1. Describe the standard reports offered by your system. Standard reporting would include reports related to data on purchaser accounts including, but not limited to, the number of active/paid in full/depleted/cancelled accounts, distribution of matriculating beneficiaries by college/university type and payment information.
2. What software application do you use to generate reports?
3. Does the system allow for customized reports? Is there additional cost for these reports?
4. What is the turnaround time for customized reports to be delivered?

F. Disaster Recovery/Continuity of Operations:

1. Describe your firm's disaster recovery and business continuity plan. Include your backup and restoration procedures, alternate operating facilities and any equipment or software replacement and testing procedures.
2. Where are the backup systems and data located in relation to your operational center?
3. Does your firm test and report on these processes at least annually?
4. What is your expected turnaround time to restore operations?
5. Does your system allow for remote client access?

G. Additional Features:

1. Your system may include features that are not covered elsewhere in this request. Please describe any value-added features of the proposed system that you feel makes the system superior to others.

H. Transition:

1. Please describe the process and proposed timeline for transitioning to a new system. Include the steps required for the transition and the responsible party for each.
2. How would existing data be converted and balanced to your proposed system? How would historical data be handled in the proposed system?
3. What costs, if any, are expected?

I. Post Implementation Support Services.

1. Will there be a designated account manager assigned to PACT? What are the hours the account manager would be available?
2. Will you provide an operations manual and update it as changes to procedures are made?
3. Describe any limitations to the type and amount of support that will be provided, i.e. limited number of hours.
4. How are support and/or technical hours tracked and reported to PACT. Can unused hours be rolled over to the next year?
5. How are issues prioritized and worked? What is the normal response time?

J. Turnover

1. In the event of contract expiration or termination, please provide the process in which the data would be transferred to the new vendor.
2. What time period would be needed to successfully transfer all data?
3. What support would be given to the PACT office and new vendor during the transition?

**EXHIBIT B**  
**Statement of Fees**

Provide a proposed Fee Schedule for the services described in this RFP. Compensation is paid in arrears based on periodic invoices submitted and itemized in sufficient detail for a proper review and confirmation to be performed.

Any charge for services not addressed in the Fee Schedule in your proposal will not be allowed during the course of the contract. Fees will not increase during the term of the contract unless designated in your response.

The Fee Schedule can propose a separate fee for any service not described in this RFP but which the Firm provides for other programs which might be beneficial.

Actuary expectations are that the Program will make its last payment in the year 2032. The Board is interested in a Records Administrator that is committed to providing those services through that date. The contract is expected to commence July of 2018. Please provide your pricing in the table below:

Contract Year	Pricing
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	

EXHIBIT C  
**Minimum Qualifications**

A. The Firm has been in business for at least five years conducting similar services as described in this RFP as of December 31, 2016.

Yes                      No

B. The Firm shall qualify with the Secretary of State to conduct business in the State of Alabama if selected.

Yes                      No

C. The Firm and its personnel have all authorizations, permits, licenses, and certifications as may be required under Federal, State or local law to perform the services specified in this RFP at the time it submits a response to the RFP.

Yes                      No

D. The Firm carries errors and omissions insurance or a comparable instrument, in an amount acceptable to the Board, to cover the firm's negligent acts or omissions.

Yes                      No

E. The Firm maintains sufficient procedures and to ensure the timely and accurate backup and full recovery for all computers and other data storage systems related to this account.

Yes                      No

F. The Firm has a company policy and practice of equal employment opportunity and non-discrimination based on race, creed or gender.

Yes                      No

G. The Firm will comply with State of Alabama Beason-Hammon Alabama Taxpayer and Citizen Protection Act regarding immigration.

Yes                      No

EXHIBIT D

**CERTIFICATE OF COMPLIANCE WITH THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535, as amended by Act 2012-491)**

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**RE Contract/Grant/Incentive (describe by number or subject):**

\_\_\_\_\_ **by and**  
**between** \_\_\_\_\_  
**(Contractor/Grantee) and** \_\_\_\_\_ **(State Agency or**  
**Department or other Public Entity)**

The undersigned hereby certifies to the State of Alabama as follows:

1. The undersigned holds the position of \_\_\_\_\_ with the Contractor/Grantee named above, is authorized to provide the representations that are set out in this Certificate as the official and binding act of that entity, and has knowledge of the provisions of THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535 of the Alabama Legislature, as amended by Act 2012-491) which is described herein as "the Act".

2. Applying the following definitions from the Section 3 of the Act, the Contractor/Grantee business structure is as indicated by my initials.

**BUSINESS ENTITY.** Any person or group of persons employing one or more persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit. "Business entity" shall include, but not be limited to the following:

- a. Self-employed individuals, business entities filing articles of incorporation, partnerships, limited partnerships, limited liability companies, foreign corporations, foreign limited partnerships, foreign limited liability companies authorized to transact business in this state, business trusts, and any business entity that registers with the Secretary of State.
- b. Any business entity that possesses a business license, permit, certificate, approval, registration, charter, or similar form of authorization issued by the state, any business entity that is exempt by law from obtaining such a business license, and any business entity that is operating unlawfully without a business license.

**EMPLOYER.** Any person, firm, corporation, partnership, joint stock association, agent, manager, representative, foreman, or other person having control or custody of any employment, place of employment, or of any employee, including any including any person or entity employing any person for hire within the State of Alabama, including a public employer. This term shall not include the occupant of a household contracting with another person to perform casual domestic labor within the household.

- \_\_\_\_\_ a. The Contractor/Grantee is a business entity or employer as those terms are defined in Section 3 of the Act.
- \_\_\_\_\_ b. The Contractor/Grantee is not a business entity or employer as those terms are defined in Section 3 of the Act.

3. As of the date of this Certificate, Contractor/Grantee does not knowingly employ an unauthorized alien, as that term is defined in Section 3 of the Act, within the State of Alabama and hereafter it will not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama.

*{Alien is any person who is not a citizen or national of the United States, as described in 8 U.S.C. § 1101, et seq., and any amendments thereto.}*

*{Unauthorized Alien is an alien who is not authorized to work in the United States as defined in 8 U.S.C. § 1324a(h)(3).}*

4. Contractor/Grantee is enrolled in E-Verify unless *{initial the following selections which apply}*:

- \_\_\_\_\_ (a) it is not eligible to enroll because of the rules of that program or other factors beyond its control.

\_\_\_\_\_ (b) it is excused from the requirement of enrollment in E-Verify because it does not have an employee in  
the State of \_\_\_\_\_ Alabama.

Certified this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
Name of Contractor/Grantee/Recipient

By:

\_\_\_\_\_

Its

\_\_\_\_\_

The above Certification was signed in my presence by the person whose name appears above, on this \_\_\_\_\_ day of  
\_\_\_\_\_ 20\_\_\_\_\_.

WITNESS \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Print Name of Witness