

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE	)	RESOLUTION NO. 03-3361
ISSUANCE OF REQUEST FOR PROPOSAL	)	
03-1082-BS, ADMINISTRATIVE RECORD	)	Introduced by Michael Jordan,
KEEPING SERVICES AND TRUST SERVICES	)	Chief Operating Officer With the
FOR THE METRO EMPLOYEE SALARY	)	Concurrence of Council President
SAVINGS PLAN	)	Bragdon

WHEREAS, Metro established an Employee Salary Savings Plan and Trust originally effective July 1, 1981; and

WHEREAS, the Metro Council adopted Resolution No. 92-1596, "For the Purpose of Naming William Mercer Trust Company as a non-discretionary Trustee of the Metro Salary Saving Plan", on March 26, 1992.

WHEREAS, the Executive Officer contracted with Vanguard for administrative record keeping services and Trust services for the Metro Salary Savings Plan on July 23, 1998.

WHEREAS, the contractual agreement with Vanguard will expire on June 30, 2004 and we have used all of the extensions.

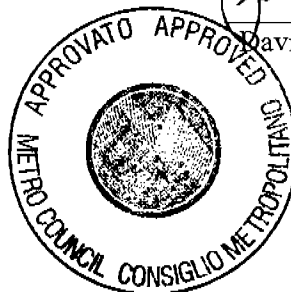
BE IT RESOLVED, that the Metro Council hereby authorizes the issuance of the Request for Proposal (03-1082-BS) attached as to form as Exhibit A for a personal services agreement for the 401(k) Employee Salary and Savings Plan Record Keeping and Trustee Services. The Metro Council further authorizes the Chief Operating Officer (or his designee) to execute a contract with the most responsive Proposer as recommended by the 401(k) Employee Salary Savings Plan Advisory Committee in a form substantially similar to the contract in Exhibit A.

ADOPTED by the Metro Council this 4th day of September, 2003.

*[Handwritten Signature]*  
David Bragdon, President

Approved as to Form:

*[Handwritten Signature]*  
Daniel B. Cooper, Metro Attorney



# METRO

REQUEST FOR PROPOSALS  
401(K) EMPLOYEE SALARY SAVINGS PLAN  
RECORDKEEPER & TRUSTEE SERVICES

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Exhibit "A": Matrix, Record keeper (Unbundled)

Exhibit "B": Matrix, Trustee (Unbundled)

Exhibit "C": Matrix, Record keeper/Trustee (Bundled)

Exhibit "D": Metro Code 2.04.100, Metro ESB,  
MBE, WBE Program

# REQUEST FOR PROPOSALS

03-1082-BS

FOR

## ADMINISTRATIVE RECORDKEEPING SERVICES AND TRUST SERVICES FOR THE METRO EMPLOYEE SALARY SAVINGS PLAN

### I. INTRODUCTION

The Risk, Contracts & Benefits Division of the Business Services Department of Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 NE Grand Avenue, Portland, OR 97232-2736, is requesting proposals for record keeping and trustee services for the 401(k) Metro Employee Salary Savings Plan. This contract will be effective July 1, 2004 through June 30, 2014 with a potential for three, 2-year extensions. Proposals are due to be received no later than 5:00 p.m. Wednesday, October 8, 2003 in Metro's business offices at 600 NE Grand Avenue, Portland, OR 97232-2736. Details concerning the project and proposal are contained in this document. Postmarks and Faxes are not accepted proof of delivery.

### II. BACKGROUND/HISTORY OF PLAN

Metro's employee salary savings plan is made up of three (3) plans; two are old retirement plans (a 5% plan and a 6% plan) and the third is a 401(k) plan. In addition, there is an after-tax contributions account. Total Employee Salary Savings Plan assets are just over \$33,000,000. There are no longer contributions to the two old deferred compensation plans and all participants are fully vested. Fund balances are as follows:

<u>Plan Type</u>	<u>Current Balance</u>
5% plan	\$4,367,338.81
6% plan	\$4,368,054.85
401(k) Plan	\$24,102,293.01
After-Tax Contributions	\$ 299,621.63

There are approximately 578 people in the plan, with 376 deferring money into the 401(k) plan.

### III. FUND INFORMATION

The Plan currently provides participants with thirteen (13) investment options, monthly fund transfers and unlimited access to an automated phone benefit system as well as internet access. Loans and distributions are processed monthly. Quarterly reports are provided (via mail and internet) by the record keeper to participants which act as a reconciliation and statement of balances. Employees are limited to one (1) outstanding loan at any given time; there are approximately 52 loans currently outstanding. The current fund offerings and their deposits are:

Metro is currently offering funds in the following general fund categories:

<u>Fund Name</u>	<u>Balance as of July 17, 2003</u>
Vanguard PRIMECAP Fund Investor Shares	\$6,191,982.05
Vanguard Retirement Savings Trust	\$4,070,475.46
Vanguard 500 Index Fund Investor Shares	\$4,063,242.12
Vanguard Wellington Fund Investor Shares	\$2,099,611.80
Vanguard Explorer Fund Investor Shares	\$1,794,128.60
Vanguard Total Bond Market Index Fund Investor Shares	\$1,670,841.55
Vanguard U.S. Growth Fund Investor Shares	\$1,619,919.36
Vanguard International Growth Fund Investor Shares	\$ 874,964.83
Vanguard Windsor II Fund Investor Shares	\$ 702,219.00
Vanguard Prime Money Market Fund	\$ 602,937.27
Loan Fund	\$ 382,789.92
Domini Social Equity Fund	\$ 152,502.62
Vanguard Total Stock Market Index Fund Investor Shares	\$ 151,502.39

Vanguard Extended Market Index Fund  
Investor Shares

\$ 108,315.96

Metro is seeking proposals from qualified firms to perform the following services and to deliver the products described:

#### **IV. Proposed Scope of Work/Schedule**

A. 401(k) RECORDKEEPER (unbundled)

Metro expects that the record keeper will perform the following functions:

1. Allocate contributions, fund earnings, expenses, market value changes and forfeitures to individual participant accounts.
2. Provide valuations to participants.
3. Reconcile all plan assets to participant accounts on an accrual basis, assuring that assets equal account balances.
4. Distribute participant statements which will include beginning balances, contributions, distributions, changes in value and new ending balances.
5. Provide automated data links with payroll and asset sources.
6. Perform automated loan documentation and administration.
7. Perform all necessary Internal Revenue Service testing.
8. Explain how participants will access account information and transactions.
9. Provide complete quarterly participant reports to Advisory Committee staff.
10. Participate in the generation of statistics and other data for auditor's use, as well as a year-end summary report.

11. Prepare an updated plan document to be approved by the Internal Revenue Service; update as necessary.
12. Complete any required governmental filing for the Department of Labor, Internal Revenue Service or other relevant governmental agencies.

**B. 401(k) TRUSTEE (unbundled)**

1. Take fiduciary responsibility for assets in your custody to reduce liability of Metro.
2. Reconcile all plan assets and provide information to record keeper each pay period.
3. Provide asset information to Record keeper.
4. Establish an automated data link to accept employee salary deferrals and track asset sources.
5. Ensure automated loan documentation and administration.
6. Provide any information Record keeper will need to complete Internal Revenue Service testing and all tax reporting.
7. Provide a complete annual report.
8. Cooperate with and assist Record keeper in filing of any required governmental reports to the Department of Labor, and/or Internal Revenue Service.
9. Provide performance measurement of separate funds comparing returns to their related indexes to Advisory Committee staff.
10. Provide monthly accounting to show all cash receipts, cash disbursements and asset changes in the portfolio to Advisory Committee staff.
11. Prepare all disbursements, including benefit payments, both periodic and lump sum, including all tax forms.
12. Provide a trust administrator responsible for overall supervision of Metro's account.

13. Provide audit controlled protection of securities and depository services.
14. Provide reinvestment of dividend, interest and other income.
15. Manage bond maturities, bond call, conversion rights, stock rights, stock and bond offerings, stock and cash dividends, stock splits and exchanges.
16. Provide a summary of all transaction costs and broker commissions to Advisory Committee staff.
17. Provide a listing of benefit payments and withdrawals each month to Advisory Committee staff.
18. Handle individual 401(k) participant loans.

and/or

**C. 401(k) RECORDKEEPER/TRUSTEE (bundled)**

Please respond to all activities described above in record keeper (unbundled) and trustee (unbundled) services.

**V. REQUESTED RESPONSES**

Each proposal must include detailed information explaining how the respondent will accomplish the tasks set forth below. If you are unable to comply with a task described as requested, indicate "Not Able to Comply". Please indicate any additional expense to the Plan for any of the services above the fees quoted in the matrix at the end of this Request for Proposals as Exhibit "A", "B" or "C". For any fees listed, recommend if the fee should be paid by the participants, Metro, the record keeper or the trustee and why.

**A. General Questions to be Answered By All Proposers (Bundled or Unbundled).**

Describe your organization by providing a brief history of your organization's development and the 401(k) services you provide. Tell us about the major strengths of your organization.

2. Fund Selection Recommendations. Metro is seeking recommendations on selection of funds to offer participants for investment. Please include 2-3 fund recommendations within the following fund categories:

- Money Market
- Stable Value

- Bond
- Balanced (Stocks and Bonds)
- Growth and Income Stock
- Growth Stock
- Aggressive Growth Stock
- International Stock

Tell us if you can provide the investment funds noted above or if you would recommend one or more comparable alternatives to the above and why.

3. Fund Fees. Describe the sales loads, redemption costs, administrative expenses and any fees associated with your funds.

4. Describe how your company would avoid, insure for and correct mistakes which result in a direct expense to the plan or Metro.

5. Valuation Frequency. Please indicate the cost of providing record keeping and/or trustee services on the following basis:

- a. daily valuation
- b. semi-monthly valuation
- c. monthly valuation
- d. quarterly valuation

Please list the cost for the above services on the matrix listed as Exhibit "A", Record keeper (unbundled); Exhibit "B", Trustee (unbundled) or Exhibit "C", Record keeper/Trustee (bundled).

6. Numbers of Funds. Please provide quotes based on Metro offering participants the following number of funds from which to choose (one (1) fund per category listed above):

- a. Diversified portfolio
- b. Brokerage Account Option
- c. Menu plans -11 funds
- d. Menu plans -14 funds

List these fees on the matrix provided at the end of this request for proposals marked Exhibit "A". "B" or "C".

7. Describe the flow of funds and schedule for participant contributions from payday (Metro will transfer the funds electronically to the trustee on the following dates: no later than 2 days after the 10th and 25th of each month) to transmission of funds to trustee,



investment of contributions and availability of new and/or updated investments to automated information to automated reporting systems.

8. Please provide three (3) references of existing clients with similar assets and participant base. List contact names and phone numbers.

## 9. Access to Account Information

### a. Interactive Voice Capabilities

1. Does your company have interactive voice response capabilities as well as access to telephone service representatives? If yes, describe whether the service is informational only or informational and transactional
2. If you have an interactive voice response system, to what extent can your system be customized to meet client needs? Do you make a 1 - 800 number available? Can you charge individual accounts for use of the phone system?
3. When was your first voice response system installed for record keeping clients?
4. Is your voice response system integrated into your recordkeeping system database? For example, if a participant calls your voice response system and changes his/her contribution percentage, hangs up, then calls back immediately, will the change to be reflected on the following call? If not, will the change be reflected on the voice response system?
5. What are the charges for the voice response system?
6. Describe the report format available on call volumes, number of transactions, etc. Please provide sample reports.
7. Describe the qualifications and training of your telephone representative

b. Internet Capabilities

1. Does your company have Internet access capabilities? If yes, describe whether the service is informational only or informational and transactional
2. If you have an Internet access, to what extent can your system be customized to meet client needs and are you willing to customize it to meet the client's needs?
3. When was your first Internet system made available to your clients?
4. Is your Internet access integrated into your record keeping system database? For example, if a participant logs on and changes his/her contribution percentage, when will the change be reflected in the database? How soon will the change be reflected on the voice response system?
5. What are the charges for your Internet system?
6. Do you have additional charges for a transactional Internet system?
7. If available, please provide samples of existing web pages your company provides.
8. Describe the qualifications and training of your Internet development staff.

10. Employee Education

- a. What communication and employee education services are provided or can be provided as part of your regular services?
- b. Would you train Metro staff to conduct on-site meetings?
- c. Would you provide staff to conduct on-site meetings? If so, describe the content of the meetings for a plan year (July 1 through June 30) and the frequency recommended for the meetings.
- d. Describe any fees involved in providing

investment education meetings or seminars. List fees on the matrix at the end of this document on appropriate Exhibits "A", "B" or "C".

e. Describe what services provide customized and specific advice to individuals.

11. **Participant Loan Fees.** Describe any fees you charge for participant loans. Please specify charges on the matrix at the end of this document on appropriate Exhibits "A", "B" or "C". It is the intent that the full cost of processing the loan be borne by the participant requesting the loan.
12. **Distribution Fees.** Describe any fees you charge for participant distributions. Please specify charges on the matrix at the end of this document on appropriate Exhibits "A", "B" or "C".
13. **Quarterly Participant Statements.** Describe any fees you charge for producing quarterly participant reports. Please specify on the matrix at the end of this document on appropriate Exhibits "A", "B" or "C".
14. **Plan Document Update.** Describe the fees for updating Metro's plan document and trust agreement. Include any fees that would be charged for designing and supplying updated forms to accompany this document.

**B. Record keeper Services**

1. How long has your organization been in the record keeping business for defined contribution plans?
2. Describe the software and hardware you use to perform participant record keeping. Describe your regular backup process. What is your disaster recovery plan?
3. Who is responsible for supporting changes to your record keeping system? How (if at all) would Metro be charged for these changes?
4. Describe your ability to ensure that a 401(k) plan is managed in compliance with plan sponsor expectations and government regulations.

5. How soon are participant statements provided once information is received from the trustee? Please describe and provide a sample statement.
6. At what frequency can you provide participant valuations (daily, semi-monthly, monthly, quarterly). Give the cost associated with each frequency category.
7. Describe the steps involved in converting current 401(k) assets to replacement funds and provide a schedule of events, including actions required on the part of the client and the time frame to complete each task. Also, indicate any costs involved in rolling over existing accounts to new funds.
8. What dedicated resources, procedures and controls will you provide or recommend in the conversion period to ensure that the conversion is completed successfully in both a timely and accurate manner?
9. Please describe how fees are assessed and billed to clients.
10. Describe your compliance testing services.
11. What level of consulting services are provided? Does your organization regularly provide the client with update bulletins and advisories, e.g., on changes in regulations?
12. Do you have on-line and/or data transference capabilities? If so, please explain.
13. Explain if you charge the client when your organization is correcting a transaction (i.e., when a fund transfer is noted incorrectly or a transfer is initiated to the wrong fund).
14. How would you propose handling enrollments, elections, eligibility tracking and filing of participant documentation? Will you provide necessary documents? Please provide a sample of those documents.
15. What services do you provide with regard to year-end tax reporting on Form 5500 reporting for the plan.

C. Trustee Services

1. Describe your trustee services and provide a brief history of your organization's development and the 401(k) services you provide. In addition, tell us how long your organization has been in the trustee business for defined contribution plans.
2. What are the major strengths of your organization?
3. What services do you provide with regard to year-end tax reporting and Form 5500 reporting for the Plan?
4. Describe the procedures used to reconcile participant accounts to employer and trust records. Are these procedures audited?
5. How soon can you provide transaction information to the record keeper at each month end?
6. Describe the software and hardware you use to perform participant record keeping. Describe your regular backup process. What is your disaster recovery plan?
7. Who is responsible for supporting changes to your record keeping system? How (if at all) would Metro be charged for these changes?
9. Describe your ability to ensure that a 401(k) plan is managed in compliance with plan sponsor expectations and government regulations.
10. Describe the steps involved in converting current 401(k) assets to replacement funds and provide a schedule of events, including actions required on the part of the client and the time frame to complete each task. Also indicate any costs involved in rolling over existing accounts to new funds.
11. What dedicated resources, procedures and controls will you provide or recommend in the conversion period to ensure that the conversion is completed successfully in both a timely and accurate manner?
12. What level of consulting services are provided? Does your organization regularly provide the client with update bulletins and advisories, e.g. on changes in regulations?

**VI. QUALIFICATIONS/EXPERIENCE**

Proposers shall have the following experience:

1. A minimum of five (5) years experience in providing record keeping and/or trust services for employer sponsored plans.
2. An appropriate license to perform record keeping and/or trust services as required by the State of Oregon and/or the federal government.

## VII. PROPOSAL INSTRUCTIONS

A. Eight (8) copies of the proposal shall be furnished to Metro, addressed to:

Kerry Gilbreth, Benefits Manager  
Metro  
600 NE Grand Ave.  
Portland, OR 97232-2736

B. Deadline:

Proposals will not be considered if received after 5:00 p.m., Wednesday, October 8, 2003.

C. RFP as Basis for Proposals:

This Request for Proposals represents the most definitive statement Metro will make concerning the information upon which Proposals are to be based. Any verbal information which is not addressed in this RFP will not be considered by Metro in evaluating the Proposal. All questions relating to this RFP should be addressed to Kerry Gilbreth at (503)797-1571. Any questions, which in the opinion of Metro, warrant a written reply or RFP amendment will be furnished to all parties receiving this RFP. Metro will not respond to questions received after Wednesday, October 1, 2003.

### Information Release

All Proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all proposers agree to such activity and release Metro from all claims arising from such activity.

E. Minority and Women-Owned Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the Proposers attention IS directed to Metro Code provision 2.04.100.

Copies of that document are attached as Exhibit "D". If you have questions about this information, please contact the Risk and Contracts Management Division of Business Services, Metro, Metro Center, 600 NE Grand Avenue, Portland, OR 97232 or call (503) 797-1816.

## VIII. PROPOSAL CONTENTS

The proposal should be responsive, but concise. The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content). No waxed page dividers or non-recyclable materials should be included in the proposal.

- A. Transmittal Letter: Indicate who will be the project manager, and that the proposal will be valid for ninety (90) days.
- B. Approach/Work Plan: Describe how the work will be done within the given timeframe and budget. Include a proposed work plan and schedule.
- C. Staffing: Identify specific personnel assigned to major project tasks and their roles in relation to the work required.

This contract may be awarded to a single firm or two separate firms (record keeper and trustee) to provide the services required.

- D. Experience: Indicate how your firm meets the experience requirements listed in Section VI of this RFP. List clients you have had over the past five years which involved services similar to the services required here. For each of these other clients, include the name of the customer contact person, his/her title, their role, and telephone number. Identify persons on the proposed project team who worked on each of the other projects listed, and their respective roles.
- E. Cost/Budget: Present the proposed cost of providing record keeping and/or trust services and the proposed method of compensation as requested in Section V of this request for proposals using the matrix listed as Exhibits "A", "B", or "C". Costs for any other services should also be listed. This contract will be effective July 1, 2004 and end June 30, 2014, with the possibility of three, 2-year extensions. All prices proposed will be firm for the term of the contract.

- F. Exceptions and Comments: To facilitate evaluation of proposals, all responding firms will adhere to the format outlined within this RFP. Firms wishing to take exception to, or comment on, any specified criteria within this RFP are encouraged to document their concerns in this part of their proposal. Exceptions or comments should be succinct, thorough and organized.

## **IX. GENERAL PROPOSAL/CONTRACT CONDITIONS**

- A. Limitation and Award: This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. Metro reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request, negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Billing Procedures: Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. Contractor's invoices shall include an itemized statement of the work done during the billing period, and will not be submitted more frequently than once a month. Metro shall pay Contractor within 30 days of receipt of an approved invoice.
- C. Validity Period and Authority: The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company contacted during the period in which Metro is evaluating the proposal.
- D. Conflict of Interest. A Proposer filing a proposal thereby certifies that no officer, agent, or employee of Metro or Metro has a pecuniary interest in this proposal or has participated in contract negotiations on behalf of Metro; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other Proposer for the same call for proposals; the Proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.
- E. Bonding Requirements. Contractor agrees to indemnify Metro for any losses due to the dishonesty of its employees and should provide an



employee dishonesty policy in an amount equal to the potential losses.

## X. EVALUATION OF PROPOSALS

A. Evaluation Procedure: Proposals received that conform to the proposal instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. Interviews may be requested prior to final selection of one firm.

B. Evaluation Criteria: This section provides a description of the criteria which will be used in the evaluation of the proposals submitted to accomplish the work defined in the RFP.

1. Adherence to scope requirements	20 points
2. Cost of services	25 points
3. Experience and qualifications of proposers	25 points
4. Cost and effort to implement new contract	20 points
5. Ability to make changes in funds	10 points
 TOTAL:	 100 points

Project \_\_\_\_\_  
Contract No. \_\_\_\_\_

## PERSONAL SERVICES AGREEMENT

THIS AGREEMENT is between Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 N.E. Grand Avenue, Portland, OR 97232-2736, and \_\_\_\_\_, referred to herein as "Contractor," located at \_\_\_\_\_

In exchange for the promises and other consideration set forth below, the parties agree as follows:

1. Duration. This personal services agreement shall be effective \_\_\_\_\_ and shall remain in effect until and including \_\_\_\_\_, unless terminated or extended as provided in this Agreement.

2. Scope of Work. Contractor shall provide all services and materials specified in the attached "Exhibit A -- Scope of Work," which is incorporated into this Agreement by reference. All services and materials shall be provided by Contractor in accordance with the Scope of Work, in a competent and professional manner. To the extent that the Scope of Work contains additional contract provisions or waives any provision in the body of this Agreement, the Scope of Work shall control.

3. Payment. Metro shall pay Contractor for services performed and materials delivered in the amount(s), manner and at the time(s) specified in the Scope of Work for a maximum sum not to exceed \_\_\_\_\_ AND \_\_\_\_\_ /100THS DOLLARS (\$ \_\_\_\_\_).

4. Insurance.

a. Contractor shall purchase and maintain at the Contractor's expense, the following types of insurance, covering the Contractor, its employees, and agents:

(1) Broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, operations, and product liability shall be a minimum of \$1,000,000 per occurrence. The policy must be endorsed with contractual liability coverage; and

(2) Automobile bodily injury and property damage liability insurance. Coverage shall be a minimum of \$1,000,000 per occurrence.

b. Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS. Notice of any material change or policy

cancellation shall be provided to Metro 30 days prior to the change or cancellation.

d. Contractor, its subcontractors, if any, and all employers working under this Agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Metro with certification of Workers' Compensation insurance including employer's liability. If Contractor has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached, as Exhibit B, in lieu of the certificate showing current Workers' Compensation.

d. If required by the Scope of Work, Contractor shall maintain for the duration of this Agreement professional liability insurance covering, personal injury and property damage arising from errors, omissions, or malpractice. Coverage shall be in the minimum amount of \$1,000,000. Contractor shall provide to Metro a certificate of this insurance, and 30 days' advance notice of material change or cancellation.

e. Contractor shall provide Metro with a certificate of insurance complying with this article and naming Metro as an additional insured within fifteen (15) days of execution of this Contract or twenty-four (24) hours before services under this Contract commence, whichever date is earlier.

5. Indemnification. Contractor shall indemnify and hold Metro, its agents, employees and elected officials harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Agreement, or with any patent infringement or copyright claims arising out of the use of Contractor's designs or other materials by Metro and for any claims or disputes involving subcontractors.

6. Maintenance of Records. Contractor shall maintain all of its records relating to the Scope of Work on a generally recognized accounting basis and allow Metro the opportunity to inspect and/or copy such records at a convenient place during normal business hours. All required records shall be maintained by Contractor for three years after Metro makes final payment and all other pending matters are closed.

7. Ownership of Documents. All documents of any nature including, but not limited to, reports, drawings, works of art and photographs, produced by Contractor pursuant to this Agreement are the property of Metro, and it is agreed by the parties that such documents are works made for hire. Contractor hereby conveys, transfers, and grants to Metro all rights of reproduction and the copyright to all such documents,

8. Project Information. Contractor shall share all project information and fully cooperate with Metro, informing Metro of all aspects of the project including actual or potential problems or defects. Contractor shall abstain from releasing any information or project news without the prior and specific written approval of Metro.

9. Independent Contractor Status. Contractor shall be an independent contractor for all purposes and shall be entitled only to the compensation provided for in this Agreement. Under no circumstances shall Contractor be considered an employee of Metro. Contractor shall provide all tools or equipment necessary to carry out this Agreement, and shall exercise complete control in achieving the results specified in the Scope of Work. Contractor is solely responsible for its performance under this Agreement and the quality of its work; for obtaining and maintaining all licenses and certifications necessary to carry out this Agreement; for payment of any fees, taxes, royalties, or other expenses necessary to complete the work except as otherwise specified in the Scope of Work; and for meeting all other requirements of law in carrying out this Agreement. Contractor shall identify and certify tax status and identification number through execution of IRS form W-9 prior to submitting any request for payment to Metro.

10. Right to Withhold Payments. Metro shall have the right to withhold from payments due to Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage, or claim which may result from Contractor's performance or failure to perform under this Agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors.

11. State and Federal Law Constraints. Both parties shall comply with the public contracting provisions of ORS chapter 279, and the recycling provisions of ORS 279.545 - 279.650, to the extent those provisions apply to this Agreement. All such provisions required to be included in this Agreement are incorporated herein by reference. Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations including those of the Americans with Disabilities Act.

12. Situs. The situs of this Agreement is Portland, Oregon. Any litigation over this agreement shall be governed by the laws of the State of Oregon and shall be conducted in the Circuit Court of the state of Oregon for Multnomah County, or, if jurisdiction is proper, in the U.S. District Court for the District of Oregon.

13. Assignment. This Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstance, be assigned or transferred by either party.

14. Termination. This Agreement may be terminated by mutual consent of the parties. In addition, Metro may terminate this Agreement by giving Contractor seven days prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Termination shall not excuse payment for expenses properly incurred prior to notice of termination, but neither party shall be liable for indirect or consequential damages arising from termination under this section.

15. No Waiver of Claims. The failure to enforce any provision of this Agreement shall not constitute a waiver by Metro of that or any other provision.

16. Modification. Notwithstanding and succeeding any and all prior agreement(s) or practice(s), this Agreement constitutes the entire Agreement between the parties, and may only be expressly modified in writing(s), signed by both parties..

METRO

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date:

**REQUEST FOR PROPOSALS  
METRO 401(k) EMPLOYEE SALARY SAVINGS PLAN  
RECORDKEEPER (UNBUNDLED)**

**Proposer**

<b>SERVICES REQUESTED</b>	<b>COST SHOULD BE PAID BY:</b>	<b>COST TO PROVIDE SERVICES</b>
	PARTICIPANT (P) METRO (M) RECORDKEEPER (R) TRUSTEE (T) (Please indicate below by letter)	
<b>Fund Recommendations (Section V, A, 2)</b>		
<b>Valuation Frequency (Section V,A,5)</b> Daily Valuation Semi-Monthly Valuation Monthly Valuation Quarterly Valuation		
<b>Recommended Number of Funds (Section V,A,6)</b> Diversified Portfolio Brokerage Account Option Menu plans-11 funds Menu plans-14 funds		
<b>Distribution Fees (Section V,B,7)</b>		

**REQUEST FOR PROPOSALS  
METRO 401(k) EMPLOYEE SALARY SAVINGS PLAN  
RECORDKEEPER (UNBUNDLED)**

**Proposer**

SERVICES REQUESTED	COST SHOULD BE PAID BY:	COST TO PROVIDE SERVICES
	PARTICIPANT (P) METRO (M) RECORDKEEPER (R) TRUSTEE (T) (Please indicate below by letter)	
<b><u>Fees to Produce Quarterly Participant Statements (Section V,13)</u></b>		
<b><u>Participant Loan Fees</u></b> Application Fee Processing Fees Annual Fees Other Fees (please list)		
<b><u>Access to Account Information</u></b>  Interactive Voice Capabilities      Yes                  No If Yes, fees  Internet Capabilities                      Yes If Yes, fees		
<b><u>Plan Document Update; Form Design</u></b> Update Fees Report Design Fees		
<b><u>System Conversion Fees</u></b>		

**REQUEST FOR PROPOSALS  
 METRO 401(k) EMPLOYEE SALARY SAVINGS PLAN  
RECORDKEEPER (UNBUNDLED)**

**Proposer**

<b>SERVICES REQUESTED</b>	<b>COST SHOULD</b>	<b>COST TO PROVIDE SERVICES</b>
	<b>BE PAID BY:</b>	
	PARTICIPANT (P) METRO (M) RECORDKEEPER (R) TRUSTEE (T) (Please indicate below by letter)	
<b>Record keeper (Section V,B,7); Trustee (Section V,C,10)</b>		
<b>Fees for Preparation of Tax Documents (Section V,C,3)</b>		
<b>Monthly/Quarterly Record keeper/Trustee Fee:</b>		
<b>Other Fees</b>		



**REQUEST FOR PROPOSALS  
METRO 401(k) EMPLOYEE SALARY SAVINGS PLAN  
TRUSTEE (UNBUNDLED)**

**Proposer**

SERVICES REQUESTED	COST SHOULD BE PAID BY:	COST TO PROVIDE SERVICES
	PARTICIPANT (P) METRO (M) RECORDKEEPER (R) TRUSTEE (T) (Please indicate below by letter)	
<b>Fund Recommendations (Section V, A, 2)</b>  		
<b>Fund Fees (Section V,A,3)</b> Sales Loads Redemption Costs Administrative Expenses Other Fees		
<b>Valuation Frequency (Section V,A,5)</b> Daily Valuation Semi-Monthly Valuation Monthly Valuation Quarterly Valuation		
<b>Recommended Number of Funds (Section V,A,6)</b> Diversified Portfolio Brokerage Account Option Menu Plans-11 funds Menu Plans-14 funds		

REQUEST FOR PROPOSALS  
 METRO 401(k) EMPLOYEE SALARY SAVINGS PLAN  
TRUSTEE (UNBUNDLED)

**Proposer**

SERVICES REQUESTED	COST SHOULD BE PAID BY:	
	PARTICIPANT (P) METRO (M) RECORDKEEPER (R) TRUSTEE (T) (Please indicate below by letter)	
<b>Distribution Fees (Section V,A,12)</b>		
<b>System Conversion Fees (Section V,C,10)</b>		
<b>Fees for Preparation of Tax Documents (Section V,C,3)</b>		
<b>Monthly/Quarterly</b>		
Trustee Fee Other Fee		

**REQUEST FOR PROPOSALS  
METRO 401(k) EMPLOYEE SALARY SAVINGS PLAN  
RECORDKEEPER/TRUSTEE (BUNDLED)**

**Proposer**

SERVICES REQUESTED	COST SHOULD	COST TO PROVIDE SERVICES
	<b>BE PAID BY:</b> PARTICIPANT (P) METRO (M) RECORDKEEPER (R) TRUSTEE (T) (Please indicate below by letter)	
<b><u>Fund Recommendations (Section V, A, 2)</u></b>		
<b>Fund Fees (Section V,A,3)</b> Sales Loads Redemption Costs Administrative Expenses Other fees		
<b>Valuation Frequency (Section V,A,5)</b> Daily Valuation Semi-monthly Valuation Monthly Valuation Quarterly Valuation		
<b><u>Recommended Number of Funds (Section V,A,6)</u></b> Diversified Portfolio Brokerage Account Option Menu Plan- 11 funds Menu Plan-14 funds		
<b><u>Distribution Fees (Section V,B,7)</u></b>		

**REQUEST FOR PROPOSALS  
METRO 401(k) EMPLOYEE SALARY SAVINGS PLAN  
RECORDKEEPER/TRUSTEE (BUNDLED)**

**Proposer**

SERVICES REQUESTED	COST SHOULD BE PAID BY:	COST TO PROVIDE SERVICES
	PARTICIPANT (P) METRO (M) RECORDKEEPER (R) TRUSTEE (T) (Please indicate below by letter)	
<b>Participant Loan Fees (Section V,A,11)</b> Application Fee Processing Fees Annual Fees Other Fees (please list)		
<b>Access to Account Information</b>  Interactive Voice Capabilities      Yes                  No If Yes, fees  Internet Capabilities                      Yes                  No  If Yes, fees		
<b>Plan Document Update; Form Design (Section V,A,11)</b> Update Fees Report Design Fees		

**REQUEST FOR PROPOSALS  
METRO 401(k) EMPLOYEE SALARY SAVINGS PLAN  
RECORDKEEPER/TRUSTEE (BUNDLED)**

Proposer		
SERVICES REQUESTED	COST SHOULD BE PAID BY:	COST TO PROVIDE SERVICES
	PARTICIPANT (P) METRO (M) RECORDKEEPER (R) TRUSTEE (T) (Please indicate below by letter)	
<u>System Conversion Fees</u>		
<u>Fees for Preparation of Tax Documents (Section V,C,3)</u>		
<u>Monthly/Quarterly Recordkeeper/Trustee Fee</u>		
Record keeper (Section V,B,7) Trustee (Section V,C,10)		
<u>Other Fees</u>		

## **METRO ESB, MBE AND WBE PROGRAM**

### 2.04.100 Findings

(a) The Metro Council finds:

- (1) The opportunity for full participation in our free enterprise system by emerging small businesses, minorities and women owned businesses is essential;
- (2) Greater economic opportunity for emerging small businesses, minorities and women owned businesses is essential;
- (3) Historical patterns of exclusion and discrimination against racial or ethnic groups and women resulted in unfortunate effects of social, political and economic inequity that still exist;
- (4) It is in the best interest of Metro and the community to do business with emerging small businesses, minority and women owned businesses resulting in increased competition and a stronger local economy;
- (5) In cooperation with the private sector, the affected populations, interested groups and appropriate governmental entities, a program should be established to recommend remedies.

(b) It is the purpose of this policy to establish and implement a program to encourage the utilization by Metro of emerging small businesses, minority and women owned businesses, to the greatest extent permitted by law, by creating for such businesses the maximum possible opportunity to compete for and participate in locally-funded Metro contracting activities. This program does not apply to federally-funded contracts, which are governed by Metro Code 2.04.300, et seq.

(Ordinance No. 83-165, Sec. 1. Amended by Ordinance No. 84-181, Sec. 1; all previous Ordinances repealed by Ordinance No. 87-216, Sec. 1; amended by Ordinance No. 87-231, Sec. 1; all previous Ordinances repealed by Ordinance No. 92-466A, Sec. 2; repealed by Ordinance No. 97-692A, Sec. 1; replaced by Ordinance No. 97-692A, Sec. 2.)

### 2.04.105 Policy Statement

(a) Metro expresses its strong commitment to provide maximum opportunity to do business with ESBs, MBEs and WBEs.

(b) It is the policy of Metro to provide equal opportunity to all persons to access and participate in the locally-funded projects, programs and services of Metro. Metro and Metro contractors shall not discriminate against any person or firm on the basis of race, color, national origin, sex, sexual orientation, age, religion, physical handicap, political affiliation or marital status.

(Ordinance No. 83-165, Sec. 2. Amended by Ordinance No. 84-181, Sec. 1; all previous Ordinances repealed by Ordinance No. 87-216, Sec. 1; amended

by Ordinance No. 87-231, Sec. 1; all previous Ordinances repealed by Ordinance No. 92-466A, Sec. 2; amended by Ordinance No. 97-692A, Sec. 3.)

#### 2.04.110 Definitions

For purposes of Metro Code Sections 2.04.100 to 2.04.190, unless the context requires otherwise, the following definitions shall apply:

(a) "Department" means the State of Oregon's Department of Consumer and Business Affairs or such state agency, department or entity to which has been delegated the responsibility to certify a Emerging Small Business Enterprise, Minority Business Enterprise, Women Business Enterprise, or a Disadvantaged Business Enterprise and to engage in related activities.

(b) "Emerging Small Business Enterprise" or "ESB" means a small business concern which is certified as such by the Department.

(c) "Minority Business Enterprise" or "MBE" means a business concern which is certified as such by the Department.

(d) "Women Owned Business Enterprise" or "WBE" means a business concern which is certified as such by the Department.

(Ordinance No. 165, Sec. 3. Amended by Ordinance No. 84-181, Sec. 2; all previous Ordinances repealed by Ordinance No. 87-216, Sec. 1; amended by Ordinance No. 87-231, Sec. 1; and Ordinance No. 88-252, Sec. 1; all previous Ordinances repealed by Ordinance No. 92-466A, Sec. 2; amended by Ordinance No. 96-635B, Sec. 4.; repealed by Ordinance No. 97-692A, Sec. 4; replaced by Ordinance No. 97-692A, Sec. 5.)

#### 2.04.115 Program Administration

(a) The Chief Operating Officer shall be responsible for administering this program. The Chief Operating Officer may, by executive order, designate a Program Coordinator and, if necessary, other staff adequate to administer this program on the executive's behalf.

(b) In administering this program, the Chief Operating Officer shall advise potential ESB, MBE and WBE vendors that Metro does not certify ESBs, MBEs and WBEs, and shall direct them to the Department.

(Ordinance No. 83-165, Sec. 4. All previous Ordinances repealed by Ordinance No. 87-216, Sec. 1; amended by Ordinance No. 87-231, Sec. 1; all previous Ordinances repealed by Ordinance No. 92-466A, Sec. 2; repealed by Ordinance No. 97-692A, Sec. 6; replaced by Ordinance No. 97-692A, Sec. 8; amended by Ordinance No. 02-966A, Sec. 1.)

#### 2.04.120 Program Activities

The Chief Operating Officer shall direct staff to develop procedures in the following areas leading to increased business with ESBs, MBEs, and WBEs:

(a) Outreach. Such procedures may include electronic notices, telephone hotlines, annual contract lists, newsletters, regularly-scheduled contractor orientation programs, and participation in regional

outreach opportunities.

(b) Technical Assistance. Provide information on feasible options for management assistance, bonding, insurance, and financial assistance.

(c) Reduce Contract Size. Examining alternatives for arranging contracts by size and type of work so as to enhance the possibility of participation by ESBs, MBEs and WBEs.

(d) Education. Periodic training for staff to ensure awareness of program objectives and desired activities on their part.

(e) Plan Centers. Ensuring ESB, MBE and WBE plan centers and contractors are receiving requests for bids, proposals and quotes.

(f) Advertising. Advertise formal purchases and contracting opportunities in at a minimum, one newspaper of general circulation and one minority-oriented publication.

(g) Informal Purchasing Opportunities. Requiring that at least one ESB and one MBE and one WBE vendor or contractor be contacted for all purchases and contracts more than \$2,500 and less than \$25,000. The program coordinator may waive this requirement if he/she determines that there are no certified ESBs, MBEs and WBEs on the certification list capable of providing the service or item. Any such waivers shall be in writing, and shall be kept as supporting documentation.

(h) Informal Construction Opportunities. Requiring all construction opportunities for contracts more than \$2,500 and less than \$25,000 to be bid only by qualified ESBs, MBEs and WBEs. The Chief Operating Officer may waive this requirement if he/she determines that there are no certified ESBs, MBEs and WBEs on the certification list capable of providing the project needed. Any such waivers shall be in writing, and shall be kept as supporting documentation.

(i) The program coordinator may establish and implement additional techniques which are consistent with this Program and designed to facilitate participation of ESBs, MBEs and WBEs in Metro purchasing and contracting activities.

(Ordinance No. 83-165, Sec. 5. Amended by Ordinance No. 86-197, Sec. 1; all previous Ordinances repealed by Ordinance No. 87-216, Sec. 1; amended by Ordinance No. 87-231, Sec. 1; all previous Ordinances repealed by Ordinance No. 92-466A, Sec. 2; repealed by Ordinance No. 97-692A, Sec. 7; replaced by Ordinance No. 97-692A, Sec. 9; amended by Ordinance No. 02-966A, Sec. 1.)

#### 2.04.130 Minority-Owned Banks

Metro will seek to identify minority-owned banks and banks utilizing equal opportunity banking practices, including community reinvestment, and, to the greatest extent permitted by law, use their services. In addition, Metro will encourage prime contractors, subcontractors and consultants to utilize such services by sending them brochures and service information on such banks.

(Ordinance No. 83-165, Sec. 7. Amended by Ordinance No. 84-181, Sec. 3;



all previous Ordinances repealed by Ordinance No. 87-216, Sec. 1; amended by Ordinance No. 87-231, Sec. 1; all previous Ordinances repealed by Ordinance No. 92-466A, Sec. 2.)

#### 2.04.150 Good Faith Efforts at Maximizing ESB, MBE and WBE Opportunities

The Chief Operating Officer shall establish procedures relating to good faith opportunities for major construction projects. Procedures shall be consistent in nature and scope with those of other local public bodies for ease in understanding for contractors.

(a) Good faith efforts for maximizing ESB, MBE and WBE opportunities shall be required for construction contracts in an amount determined by the Chief Operating Officer.

(b) At the discretion of the program coordinator, good faith efforts may be required for any other contract, including architects and engineers. This requirement shall be made in writing prior to the solicitation of bids for such contract.

(c) When construction projects using a proposal process are approved by Council, the staff shall consider past ESB, MBE and WBE utilization as part of the selection criteria. The program coordinator shall provide the awarded contractor with ESB, MBE and WBE targets for subcontracting.

(d) Compliance with good faith efforts is required. Contractors failing to comply will be considered in breach of contract.

(Ordinance No. 83-165, Sec. 11. Repealed by Ordinance No. 87-216, Sec. 1; amended by Ordinance No. 87-231, Sec. 1; Ordinance No. 88-252, Sec. 1; all previous Ordinances repealed by Ordinance No. 92-466A, Sec. 2; amended by Ordinance No. 97-692A, Sec. 12; Ordinance No. 02-966A, Sec. 1.)

#### 2.04.162 Contractor Work Force Efforts at Maximizing Minority and Women Opportunities

(a) Metro contractors shall not discriminate against any person or firm on the basis of race, color, national origin, sex, sexual orientation, age, religion, physical handicap, political affiliation or marital status.

(b) Assuring that minorities and women have access to employment opportunities in the construction industry is critical. The Chief Operating Officer shall establish procedures relating to work apprenticeships for minorities and women for Metro major construction projects. Procedures may include participation in a workforce clearing house providing opportunities for minorities and women.

(Ordinance No. 97-692A, Sec. 14-15. Amended by Ordinance No. 02-966A, Sec. 1.)

#### 2.04.165 Replacement of ESB, MBE or WBE Subcontractors

Prime contractors shall not replace an ESB, MBE or WBE subcontractor with another subcontractor, either before contract award or during contract

performance, without prior notice to Metro. Prime contractors who replace an ESB, MBE or WBE subcontractor shall make good faith efforts as described in the preceding section in selecting a replacement.

(Ordinance No. 83-165, Sec. 14. Amended by Ordinance No. 86-197, Sec. 1; all previous Ordinances repealed by Ordinance No. 87-216, Sec. 1; amended by Ordinance No. 87-231, Sec. 1; all previous Ordinances repealed by Ordinance No. 92-466A, Sec. 2; amended by Ordinance No. 97-692A, Sec. 28.)

#### 2.04.170 Council Information Reports

The Chief Operating Officer shall provide an annual report to Council showing utilization of ESBs, MBEs and WBEs doing business with Metro.

The Chief Operating Officer shall use utilization when evaluating the performance of this program and Department Directors.

(Ordinance No. 83-165, Sec. 15. Amended by Ordinance No. 84-181, Sec. 7, and Ordinance No. 86-197, Sec. 1; all previous Ordinances repealed by Ordinance No. 87-216, Sec. 1; amended by Ordinance No. 87-231, Sec. 1; all previous Ordinances repealed by Ordinance No. 92-466A, Sec. 2; repealed by Ordinance No. 97-692A, Sec. 16; replaced by Ordinance No. 97-692A, Sec. 17; amended by Ordinance No. 02-966A, Sec. 1.)

#### 2.04.190 Severability and Intent

(a) The provisions of Metro Code Sections 2.04.100 to 2.04.190 shall be effective in all cases unless otherwise provided for by state or federal law. The provisions of Metro Code Sections 2.04.100 to 2.04.190 are separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of Metro Code Sections 2.04.100 to 2.04.190 or the invalidity of the application thereof to any person or circumstances shall not affect the validity of the remainder of Metro Code Sections 2.04.100 to 2.04.190, or the validity of their application to other persons or circumstances.

(b) Metro Code Sections 2.04.100 to 2.04.190 are intended, and should be construed, as establishing and requiring the maximum efforts at assuring ESB, MBE, and WBE participation in Metro contracting activities that is consistent with the United States and Oregon Constitutions and applicable federal and state law.

(Ordinance No. 92-466A, Sec. 2. Amended by Ordinance No. 97-692A, Sec. 19.)

## **STAFF REPORT**

IN CONSIDERATION OF RESOLUTION 03-3361, FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSAL 03-1082-BS ADMINISTRATIVE RECORD KEEPING SERVICES AND TRUST SERVICES FOR THE METRO EMPLOYEE SALARY SAVINGS PLAN.

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Date: 09/04/03

Prepared by: Kerry Gilbreth

## **PROPOSED ACTION**

Issue RFP 03-1082-BS, Administrative record keeping services and Trust services for the Metro Employee Salary Savings Plan.

## **EXISTING LAW**

## **BACKGROUND AND ANALYSIS**

Metro established an Employee Salary Savings Plan and Trust July 1, 1981. Metro's employee salary savings plan is made up of three (3) plans; two are old retirement plans (a 5% plan and a 6% plan) and the third is a 401(k) plan. In addition, there is an after-tax contributions account. Total Employee Salary Savings Plan assets are just over \$33,000,000. There are no longer contributions to the two old deferred compensation plans and all participants are fully vested. There are approximately 578 people in the plan, with 376 deferring money into the 401(k) plan.

Metro Council named William Mercer Trust Company as a non-discretionary Trustee of the Metro Salary Saving Plan on March 26, 1992. The Executive Officer contracted with Vanguard for administrative record keeping services and Trust services for the Metro Salary Savings Plan on July 23, 1998. This contract expires June 30, 2004, and we have reached the maximum number of extensions.

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**FISCAL IMPACT:** The cost to administer this plan is \$30,000 per year. It is budgeted in the Risk Management fund. We are requesting a 10-year contract.

## **RECOMMENDED ACTION**

The Chief Operating Officer recommends Council issue RFP 03-1082-BS.