

**Responses to questions submitted**  
**Strategic Consulting Services and Investment Consulting Services for the Iowa**  
**Educational Savings Plan Trust and ABLE Trust issued 12-2015**  
**1-15-2016**

***CURRENT CONSULTANTS***

Question #1

Do you currently work with a consultant?

Yes. Our current 529 strategic consultant is Andrea Feirstein with AKF Consulting and our current 529 investment consultant is Mike Fisher with Neosho Advisors.

Question #2

Why are you looking for a consultant at this time?

It is a combination of standard due diligence combined with the new Able program that we will be implementing in 2016. We wanted to consolidate the 529 and 529A services.

***RFP QUESTIONS***

Question #3

Would you like us to respond to each item individually under the scope of services or provide a single comprehensive answer, which covers all the requirements?

You are required to be able to perform the responsibilities under the scope of services. You can provide a statement that you will be able to perform those responsibilities in general, respond to each item individually or write a single comprehensive response.

Question #4

Exhibit A Part II Program Management: on page 11, question 4: Please clarify the reference to “assisting drafting 529 and 529A programs”. For example, does this refer to assisting with program design or with the drafting of solicitation materials for 529 and 529A program services?

This statement specifically was referring to assisting with the program design. It would incorporate the program design of the new Able program and future program evaluations and recommended changes to College Savings Iowa or the IAdvisor 529 Plan. Services may include review of the program description materials for the different plans.

Question #5

Exhibit B Scope of Services: page 12 includes a list of Services for the 529 / 529A Strategic Advisor, and pages 3 and 4 list Exhibit B as a required inclusion in the RFP response under the heading, Part II Proposal Requirements. Should we provide an answer on our ability to provide each of the enumerated Services on page 12? If so, would it be possible to clarify the Service sought in Item 7 – “Provide advice concerning the relationship between the Treasurer’s office and its program manager(s).”

See response to Question #3. Regarding item #7, as issues arise that may impact the programs, the strategic consultant may be asked to assist in determining best options available. Such issues could include but are not limited to program changes requested by the program manager, review of program manager services provided to other states, and provide research if a program manager undergoes a significant change (sale of company, change in management, etc.).

## **FEES**

### Question #6

We note that the fee worksheet (on page 14) asks for a very granular level of fees. We typically work with clients on an all-inclusive basis, for a flat annual retainer fee, which includes all services. Are we able to make such a proposal? If so, how should we fill out the table?

Our intention with providing the grid was to be able to compare bid fees. Because we do not want to limit responses, we will allow Vendors to add additional lines to provide for an annual retainer fee. Please note that the Scope of Services section states "Topics and issues on which consultation may be sought include but are not limited to the following." If that retainer would not cover all of the services listed in the Scope of Services or other services requested by the treasurer, you must identify which services are not included and provide the methodology on how fees for additional services will be calculated.

### Question #7

Is the Treasurer's Office seeking strategic consulting services solely on an hourly basis? Would the Treasurer's Office consider an Annual Fee for strategic consulting services?

See the response to Question #6

### Question #8

What are the fees being paid to the current consultant(s)?

Strategic Consultant:

Depending upon the experience of the person providing the services hourly fees range from \$160 to \$375.

Investment Consultant:

Quarterly Investment Review College Savings Iowa: \$4,000

Quarterly Investment Review IAdvisor 529: \$5,500

Hourly services: \$285/hour

### Questions #9

Part IV, Contract Information – Duration on page 10 of the RFP states that the term of the Agreement will be three years. Section A – Strategic Consulting Services on page 14 provides a single row for hourly fees in "subsequent years" for each of 529 and 529A services. May we create separate rows to show a distinction between fees in years 2 and 3?

Yes.

Please note that the RFP states, "The initial term of the Agreement will be three years from the date of the signed contract with annual renewals as permitted by law. The decision to extend the Agreement will be at the sole option of the Treasurer and may be exercised by the Treasurer by providing written notice to the Vendor." Please also address how fees would be determined if the Treasurer elected to extend the contract past the third year.

## **Misc**

### Question #1

Are there any recent projects that have been completed for the Plans or any pending projects for calendar year 2016?

Past projects:

Strategic Advisor: Calculate the maximum contribution amount; assist with RFP construction and review for IAdvisor 529 Plan; assist with creating presentation material for Morningstar presentations.

Investment Consultant: evaluate investment recommendations provided by program managers; provide guidance with federal requirements related to money market program; attend the Morningstar annual program review meeting; review program supplements which involve investment changes..

Potential Future Projects:

Strategic Advisor: Assisting with the RFP process and Able plan launch in 2016; assisting with the RFP process for Iowa's direct-sold 529 plan.

Investment Consultant: Update the Investment Policy Statement; review proposed Able investment options; establish benchmarks for the new Able investment options.