



Brownsville Independent School District

Agenda Category: Bids/Proposals/Purchases Board of Education Meeting: 05/07/19

Item Title: <u>RFP# 19-115 Third Party Administrator (TPA)</u> <u>Services for Retirement Plan (403 & 457)</u>	<u>X</u> <u> </u> <u> </u> <u> </u>	Action Information Discussion
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BACKGROUND:

The Brownsville Independent School District issued Request for Proposals for the Third Party Administrator (TPA) Services for Retirement Plan (403 & 457) for the 2019-2020 school year. The policy period is June 1, 2019 to May 31, 2022. The proposal provides administrative services for the retirement plans as well as meet all required IRS guidelines pertaining to tax deferred retirement savings plans, monitor contributions and loan requests, and provide a single source billing/reconciliation.

Six (6) companies were solicited. Four (4) proposals were received.

Current TPA for 403(b)	<u>MidAmerica</u> Fee \$2.08 per participant per month No fee to the district
Current TPA for 457(b)	<u>National Benefits Services (NBS)</u> No fee to the participant No fee to the district

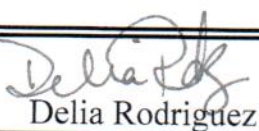
FISCAL IMPLICATIONS:

No cost to the District or Participants.

RECOMMENDATION:

Recommend awarding RFP# 19-115 Third Party Administrator (TPA) Services for Retirement Plan (403 & 457) to US OMNI of Rochester, NY at no cost to the District or Participants. The policy period is June 1, 2019 to May 31, 2022.


Micaela Escobar/


Delia Rodriguez

Approved for Submission to Board of Education:

Submitted by: Administrator/Purchasing Interim Adm.

Sylvia R. Hatton, Ph.D.
Interim Superintendent

/Mary D. Garza

Recommended by: AA Supt./Asst. Supt./ Interim CFO

When Necessary, Additional Background May Follow This.

Brownsville Independent School District Employee Benefits / Risk Management

Coverage: Third Party Administrator Services for Retirement Plans
(403 & 457)
RFP: 19-115
Term: June 2019 to May 2022

The Plan Administrator's function is to administer the retirement plans as well as meet all required IRS guidelines pertaining to tax deferred retirement savings plans, monitor contributions and loan requests, and provide a single source billing/reconciliation. The Third Party Administrator will provide a comprehensive educational program for BISD staff on an annual or bi-annual basis. The Third Party Administrator is independent; they do not sell any retirement plans and they are not tied to any investment companies.

Six companies were solicited. Four proposals were received.

Current TPA for 403(b) MidAmerica
Fee \$2.08 per participant per month
No fee to the district
Current TPA for 457(b) National Benefit Services (NBS)
No fee to the participant
No fee to the district

Recommended TPA: US OMNI
Policy Term: June 2019 to May 2022
Fee to the District: none
Fee to the Participant; none

Karina Arguelles

From: Micaela Escobar
Sent: Monday, April 8, 2019 3:04 PM
To: Delia N. Rodriguez
Cc: Karina Arguelles; Nora Michaels
Subject: RE: RFP # 19-115
Attachments: Copy of Ranking.xlsx; 19-115 Ranking.pdf

Delia,

Thank you for supervising the ranking. The Ranking committee member were: Mark Stevens (HR), Leo Zuniga (Payroll) and Marlene Garcia (Finance). Attached please find the summarized forms. I also sent you the excel worksheet for your records.

Karina will be preparing the agenda item for the May meeting.

Micaela Escobar, MBA, CSRM, SHRM-CP

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From: Nora Michaels
Sent: Friday, April 5, 2019 9:54 AM
To: Micaela Escobar <micaela@bisd.us>
Cc: Delia N. Rodriguez <dnrodriguez@bisd.us>; Karina Arguelles <karguelles@bisd.us>
Subject: RFP # 19-115

Good morning:

RFP #19-115 Third Party Administrator Services for Retirement Plans (403 & 457)

6 Vendors Notified; 4 Submitted.

Thank you,

Nora L. Michaels
BISD
Purchasing Secretary
956-698-0704
956-548-8367 (Fax)

B I S D is the BEST CHOICE! & B I S D is Going GREEN !



RECEIVED

APR 12 2019 11:59

Office of the Superintendent

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

EMPLOYEE BENEFITS

TO: Miguel Salinas, Staff Attorney

FROM: Micaela Escobar, Administrator for Employee Benefits/Risk Management *[Signature]*

DATE: April 12, 2019

RE: US Omni Agreement

AS PER YOUR REQUEST

PLEASE REVIEW

FOR YOUR APPROVAL

FOR YOUR INFORMATION

MESSAGE:

If you have any questions please call me at 548-8061. Thank you.

*Approved as to form
M Salinas 1/12/19*

Services Agreement

This services agreement is entered into on May 7, 2019 by **Brownsville Independent School District** ("Employer"), located at **1900 E. Price Road, Brownsville, Texas 78521** [Address] and the **Omni Financial Group, Inc.**, Water Tower Office Park, 1099 Jay Street, Bldg F, Rochester, New York 14611, ("OMNI").

WHEREAS, Employer sponsors certain retirement plans as specified in the attached Schedule (Plan) and whereas OMNI provides administration services for such plans, the parties agree for OMNI to act as third party administrator for the Plan in accordance with the following provisions.

1. OMNI'S SERVICES

- a) Assistance and training necessary to implement OMNI's services for the Plan.
- b) An OMNI compliance specialist and remittance specialist designated to personally service the Plan.
- c) Call center services to address any plan inquiries.
- d) Plan contribution limit calculation and monitoring.
- e) Maintain records of all transactions processed by OMNI and any records of data preceding OMNI's services as provided by the Employer.
- f) Ensure that all information received by OMNI in performing its services hereunder is used for plan administrative purposes only and is otherwise treated as confidential information.
- g) Provide forms necessary for participants to contribute to the Plan such as the OMNI Salary Reduction Agreement ("SRA") form and plan transaction forms.
- h) Receive SRA's online, via e-mail, fax or mail. OMNI shall communicate plan contribution changes by secure e-mail to Employer's payroll department.
- i) Maintain a distribution account for plan contributions. In no event shall the distribution account funds be commingled with any of OMNI's other accounts, operational or otherwise.
- j) Serve as the common remitter for the Plan and promptly remit all funds to the employee's selected investment provider, according to the timetable set forth in the attached Schedule.
- k) Process all plan transactions such as age/severance/disability/death distributions, contract exchanges, transfers, loans, hardship withdrawals, service credit transfers, rollover contributions and QDRO's provided that Employer has begun to remit, and OMNI has in its possession, all necessary documents such as Employer's written Plan. The Services do not include processing loan repayments through OMNI.
- l) Provide Employer with yearly contribution limits for all contributing employees, including all applicable catch-up provisions.
- m) Verify that investment accounts are ready to receive contributions prior to communicating a contribution change to the Employer.
- n) Enter into Information Sharing Agreements with Investment Providers on behalf of Employer.
- o) Provide a Plan document, and provide amendments to the Plan pursuant to Employer's request or changes in law during the term of this Agreement.
- p) Notify Employer of Federal laws that affect the Employer's Plan.
- q) Manage IRS audits of the Employer's Plan.
- r) Insurance, and Crime Policy:
 - i. Provide and pay the full premiums for errors and omissions insurance coverage issued by a carrier authorized to provide such coverage in the State in which the services are to be performed, insuring against claims made, resulting or emanating from the Services that OMNI is providing the Employer pursuant to this agreement with a limit to \$5,000,000 per claim made, \$5,000,000 in aggregate.
 - ii. OMNI shall also provide and pay the full premiums on a crime policy in the amount of \$10,000,000 by a carrier licensed to issue such policies in the State in which the services are to be performed, covering OMNI's financial and distribution accounts for employee theft, forgery or alteration, and fund transfer fraud. Upon request Employer shall be named as a Loss Payee under said policy.
 - iii. OMNI shall also provide and pay full premiums on a Data Breach and Privacy Security Liability policy issued by a carrier authorized to provide such coverage in the State in which the services are to be performed, insuring against claims and/or breaches made with a limit of \$2,000,000 per each claim/breach made, and \$2,000,000 in aggregate.
- s) When necessary, issue federal tax 1099-R Form(s) for plan participants with respect to plan distributions that do not qualify for tax deferred treatment.

- t) Provide ongoing assistance, guidance, and information to Employers, their officials/administrators, employees, union representatives or investment providers with respect to the Plan including contributions, transactions, documents or any other related issues.

2. EMPLOYER'S OBLIGATIONS, ACKNOWLEDGEMENTS, REPRESENTATIONS

- a) Transfer plan contribution funds via ACH or wire to OMNI's distribution account for distribution to the employee's selected investment provider.
- b) Establish a secure email account with OMNI enabling OMNI to securely transmit confidential data necessary to perform its obligations under this agreement.
- c) Provide OMNI with information relevant to the Plan necessary for OMNI to fulfill its obligations under this Agreement such as employees' dates of severance, disability or start dates.
- d) Select the plan's investment providers from the list of investment providers having an Information Sharing Agreement with OMNI.
- e) Employer is responsible for the proper characterization of any 403(b) Employer non-elective contributions.
- f) Employer is responsible for any other agreement it has relevant to the Plan, such as collective bargaining agreements or agreements directly with the Plan's investment providers.
- g) Employer shall inform OMNI of any other benefit plans that may affect the administration and proper compliance of the Employer's Plan.
- h) Employer shall distribute yearly a notice of its plan to all eligible employees for 403(b) Universal Availability purposes. OMNI shall provide employer with a form for this purpose.
- i) If the Employer fails to comply with any of its obligations, OMNI shall not be liable for any ensuing plan compliance failures and/or errors, omissions, in contract or in tort, or any other matters directly or indirectly arising out of, connected with, or related to the Employer's failures and/or errors. Accordingly, the indemnifications set forth herein will not be applicable.
- j) OMNI's role is to be the Employer's third party administrator for its Plan, and ensure compliance with the U.S. Tax Code and related regulations. OMNI does not intend to replace the Employer's legal counsel, or tax professional, and OMNI's Services under this Agreement do not include legal or tax advice, and that no analysis and/or recommendation made by any employee, agent, officer, or director of OMNI, in fulfilling OMNI's obligations under this Agreement, shall be so construed. Further, Employer understands and acknowledges that OMNI has advised the Employer to consult with Employer's own legal counsel or tax professional with respect to the Employer's Plan, or any related operational concerns, or other agreement(s) in place such as collective bargaining agreement(s).
- k) OMNI shall hold Employer remitted funds without an existing account to be applied to, for only a reasonable period of time or until an account where such funds can be applied to is established, whichever may be sooner. In no event shall OMNI hold any such funds for more than forty five ("45") days from the date of receipt. Accordingly, OMNI will return any such funds promptly to Employer.

3. INDEMNIFICATIONS

- a) Subject to the limitations set forth herein OMNI and Employer, each agree to the extent permitted by applicable law, to indemnify and hold the other party harmless against any and all liabilities, losses, costs or expenses (including reasonable legal fees and expenses) of whatsoever kind and nature which may be imposed on, incurred by or asserted against the other party at any time to the extent such liability, loss or expense results from the indemnifying party's negligence, breach of the terms hereof, or willful misconduct under this Agreement. Except as specifically provided otherwise in the preceding sentence, and to the extent permitted by applicable law, Employer shall indemnify and hold OMNI harmless against any and all liabilities, losses, costs or expenses (including reasonable legal fees and expenses) of whatsoever kind and nature which may be imposed on, incurred by or asserted against OMNI at any time in connection with OMNI's having acted upon the directions of Employer hereunder, or OMNI's having failed to act as a result of the absence of Employer directions.
- b) OMNI's duties and liability, if any, to indemnify Employer will become effective when the following conditions are met: OMNI has completed in a timely manner its compliance review of the Employer's Plan; the Employer has implemented all relevant recommendations made by OMNI; and, OMNI has established the distribution account described in the Agreement and has commenced making distributions therefrom.
- c) The indemnifying party shall have sole control of the defense and settlement of such claims and is not responsible for any settlement that it does not approve in writing; and the indemnitee renders all assistance required.

- d) The party seeking to be indemnified agrees to notify the indemnifying party of a claim within a reasonable time period. All notices shall comply with the notice requirements set forth herein.

4. TERM and TERMINATION

This Agreement shall continue until terminated. Either party may terminate this Agreement by giving the other no less than thirty (30) days written notice prior to termination, in which case this Agreement shall terminate on the effective date specified in such notice. Either party may cancel this Agreement immediately, in whole or in part, for material default, material breach, insolvency, bankruptcy, and inability to pay debts, or similar financial circumstances by the other. In the event of any such termination, OMNI shall invoice the Employer for any amounts due and payable for Services rendered to Employer prior to the effective date of termination and Employer shall pay such invoice within ten (10) days of Employer's receipt thereof. Upon payment of such invoice, OMNI shall deliver to Employer all work completed up to the effective date of such termination and neither party shall have any further obligation or liability to the other.

5. GENERAL


- a) Entire Agreement and Amendment. This Agreement, together with any schedules, and exhibits attached hereto, contains the complete and exclusive understanding and agreement of the parties with respect to its subject matter and supersedes, merges, and replaces all prior writings, discussions and understandings relating to such subject matter. This Agreement may only be amended by a written agreement and signed by authorized representatives of both parties.
- b) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas. The Parties hereby consent to the exclusive jurisdiction of any State or Federal court located in Cameron County, Texas.
- c) Force Majeure. Neither party shall be responsible to the other party for any loss, damage, compliance error or expense caused by its failure to perform any duty or obligation under this Agreement which is due to causes beyond its control, such as an act of God, fire, flood, explosion, war, insurrection, riot, vandalism, terrorism, strike, power failure, interruption or loss of telephone/telecommunication services, or governmental act of regulation.
- d) Severability. If any term or provision of this Agreement is found to be invalid or unenforceable for any reason, it shall be adjusted rather than avoided, if possible, so as best to accomplish the objective of the parties to the extent possible. In any event, the remaining terms and provisions shall be deemed valid and enforceable. It is expressly understood and agreed that each provision of this Agreement providing for a limitation of liability disclaimer or limitation of warranties, or exclusion of damages is intended by the parties to be severable and independent of any other provisions and to be enforced as such.
- e) Assignment. This Agreement shall be binding on the parties and on their successors and assigns. Except as expressly provided herein, neither party shall transfer, assign or subcontract any right or obligation hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld.
- f) Waiver. The failure of either party any time to require performance by the other party of any provision hereof shall not affect in any way the full right to require such performance at any time thereafter; nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.
- g) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute a single instrument.
- h) Notices. All notices relating to this Agreement shall be in writing, signed by the party providing such notice and shall be delivered by Personal delivery, fax, or certified U.S. Mail, return receipt requested. Notices shall be sent to the address of the other party as set forth above, or such other address as either party may specify in the future.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date or dates written below.

EMPLOYER:

OMNI FINANCIAL GROUP, INC.:

By: _____

By: 
Robert F. McLean, President/CEO

Print Title: _____

Date: May 7, 2019

PLAN & FEE SCHEDULE

Name of Employer	Brownsville Independent School District
Plan(s):	X 403(b) X 457(b)
Fees: \$36/yr/contributing participant	X P30 <input type="checkbox"/> P30 Administrative Fee \$ <u>N/C</u> <input type="checkbox"/> Non-P30 Fee \$ <u>N/C</u> <input type="checkbox"/> Employer Paid / Std. Billing

Investment providers in the Preferred Provider Program (P3) have agreed to cover OMNI's fee for the Employer at the above rate, billed quarterly.

For accounts receiving OMNI invoices, billing will commence upon first remittance.

OMNI'S REMITTANCE

Files Received By	Funds Available For Use By	Day Processed
Wednesday Midnight	Friday 11:00 A.M. EST	Friday
Friday Midnight	Tuesday 11:00 A.M. EST	Tuesday

OMNI processes remittances on Tuesdays and Fridays provided that the Employer adheres to the above. Processing days during holiday weeks may vary.

Signer initials: RAM

Brownsville Independent School District
Department of Employee Benefits and Risk Management
RFP # 19-115 - Third Party Administrator Services for Retirement Plans (403 & 457)

		VENDOR SCORING			
		NBS	OMNI	TCG	TSA
Criteria	Points	Score	Score	Score	Score
Questionnaire	55	51.66	48.33	28.33	46.00
References	20	16.66	18.00	18.33	14.33
Cost	25	18.33	24.00	20.00	20.00
Overall Points	100	86.65	90.33	66.66	80.33

Vendor Selected	OMNI
Committee Members	Leo Zuniga, Payroll Department
	Mark Stevens, HR Department
	Marlene Garcia, Finance Department