

**LINKING AGREEMENT  
BETWEEN  
THE CITY OF GLENDALE, ARIZONA  
AND  
HYAS GROUP, LLC**

THIS LINKING AGREEMENT (this "Agreement") is entered into as of this 1st day of January, 2022, between the City of Glendale, an Arizona municipal corporation (the "City"), and Hyas Group LLC, a(n) Oregon Limited Liability Corporation authorized to do business in Arizona ("Contractor"), collectively, the "Parties."

**RECITALS**

- A. On March 1, 2017 under (S.A.V.E Cooperative Purchasing Agreement, Mohave, etc.), the City of Peoria entered into a contract with Contractor to purchase the goods and services described in the Professional Services Consulting Agreement between the City of Peoria and Hyas Group, LLC ("Cooperative Purchasing Agreement"), which is attached hereto as Exhibit A. The Cooperative Purchasing Agreement permits its cooperative use by other governmental agencies including the City.
- B. Section 2-149 of the City's Procurement Code permits the Materials Manager to procure goods and services by participating with other governmental units in cooperative purchasing agreements when the best interests of the City would be served.
- C. Section 2-149 also provides that the Materials Manager may enter into such cooperative agreements without meeting the formal or informal solicitation and bid requirements of Glendale City Code Sections 2-145 and 2-146.
- D. The City desires to contract with Contractor for supplies or services identical, or nearly identical, to the supplies or services Contractor is providing other units of government under the Cooperative Purchasing Agreement. Contractor consents to the City's utilization of the Cooperative Purchasing Agreement as the basis of this Agreement, and Contractor desires to enter into this Agreement to provide the supplies and services set forth in this Agreement.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the covenants and promises contained in this Linking Agreement, the parties agree as follows:

1. Term of Agreement. The City is purchasing supplies and/or services from Contractor pursuant to the Cooperative Purchasing Agreement. According to the Cooperative Purchasing Agreement, purchases can be made by governmental entities from the date of award, which was March 1, 2017, until the date the contract expires on February 28, 2027 unless the term of the Cooperative Purchasing Agreement is extended by the mutual agreement of the original contracting parties. The Cooperative Purchasing Agreement, however, may not be extended beyond February 28, 2027. The initial period of this Agreement, therefore, is the period from the Effective Date of this Agreement until February 28, 2022. The City may renew the term of this Agreement for five (5) additional one (1) year renewals until the

Cooperative Purchasing Agreement expires on April 2, 2027. Glendale renewals are not automatic and shall only occur if the City gives the Contractor notice of its intent to renew. The City may give the Contractor notice of its intent to renew this Agreement 30 days prior to the anniversary of the Effective Date to effectuate such renewal.

2. Scope of Work; Terms, Conditions, and Specifications.

- A. Contractor shall provide City the supplies and/or services identified in the Scope of Work attached as Exhibit B.
- B. Contractor agrees to comply with all the terms, conditions and specifications of the Cooperative Purchasing Agreement. Such terms, conditions and specifications are specifically incorporated into and are an enforceable part of this Agreement.

3. Compensation.

- A. City shall pay Contractor compensation at the same rate and on the same schedule as provided in the Cooperative Purchasing Agreement, which is attached hereto as Exhibit C.
- B. The total purchase price for the supplies and/or services purchased under this Agreement shall not exceed Thirty-Five thousand dollars (\$35,000) annually or One hundred and Seventy-Five thousand dollars (\$175,000) for the entire term of the Agreement (initial term plus any renewals).

4. Cancellation. This Agreement may be cancelled pursuant to A.R.S. § 38-511.

5. Non-discrimination. Contractor must not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

6. Insurance Certificate. A certificate of insurance applying to this Agreement must be provided to the City prior to the Effective Date.

7. E-verify. Contractor complies with A.R.S. § 23-214 and agrees to comply with the requirements of A.R.S. § 41-4401.

8. No Boycott of Israel. To the extent A.R.S § 35-393 through § 35-393.03 are applicable, the parties hereby certify that they are not currently engaged in, and agree for the duration of the Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in A.R.S § 35-393.

9. Attestation of PCI Compliance. When applicable, the Contractor will provide the City annually with a Payment Card Industry Data Security Standard (PCI DSS) attestation of compliance certificate signed by an officer of Contractor with oversight responsibility.
10. Notices. Any notices that must be provided under this Agreement shall be sent to the Parties' respective authorized representatives at the address listed below:

City of Glendale  
c/o Vicki Moss  
5850 W Glendale Ave #B56  
Glendale, AZ 85301

And

Hyas Group, LL  
CC/O Dale Parker, VP  
9755 SW Barned Road  
Portland, Oregon 97225  
971-634-1500

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth above.

“City”

City of Glendale, an Arizona  
municipal corporation

By: \_\_\_\_\_  
Kevin R. Phelps  
City Manager

“Contractor”

Hyas Group, LLC,  
an Oregon Limited Liability Corporation

By: \_\_\_\_\_  
Name: Dale Parker  
Title: Vice President

ATTEST:

\_\_\_\_\_  
Julie K. Bower (SEAL)  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael D. Bailey  
City Attorney

**LINKING AGREEMENT  
BETWEEN  
THE CITY OF GLENDALE, ARIZONA  
AND  
HYAS GROUP, LLC**

**EXHIBIT A**  
(CITY OF PEORIA AND HYAS GROUP, LLC SOLICITATION NO P17-0015)



# City of Peoria, Arizona Notice of Request for Proposal

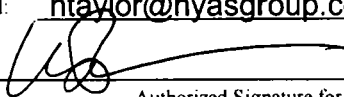


Request for Proposal No: **P17-0015** Proposal Due Date: **January 10, 2017**  
 Materials and/or Services: **CONSULTANT SERVICES FOR DEFERRED COMPENSATION PLAN** Proposal Due Time: 5:00 P.M. AZ Time  
 Mailing Address: City of Peoria, Materials Management Contact: Lisa Houg  
 9875 N. 85<sup>th</sup> Avenue, 2<sup>nd</sup> Floor Phone: (623) 773-7115  
 Peoria, AZ 85345  
 Project No: NA

In accordance with City of Peoria Procurement Code competitive sealed proposals for the material or services specified will be received by the City of Peoria Materials Management at the specified location until the date and time cited above. Proposals shall be in the actual possession of the City of Peoria Materials Management on or prior to the exact date and time indicated above. Late proposals will not be considered, except as provided in the City of Peoria Procurement Code. **Proposals shall be submitted in a sealed envelope with the Request for Proposal number and the offeror's name and address clearly indicated on the front of the envelope.** All proposals shall be completed in ink or typewritten. Offerors are strongly encouraged to carefully read the **entire** Request for Proposal Package.

### OFFER

To the City of Peoria: The undersigned on behalf of the entity, firm, company, partnership, or other legal entity listed below offers on its behalf to the City a proposal that contains all terms, conditions, specifications and amendments in the Notice of Request for Proposal issued by the City. Any exception to the terms contained in the Notice of Request for Proposal must be specifically indicated in writing and are subject to the approval of the City prior to acceptance. The signature below certifies your understanding and compliance with Paragraph 1 of the City of Peoria Standard Terms and Conditions (form COP 202) contained in the Request for Proposal package issued by the City.

For clarification of this offer contact:		Telephone: <u>971-634-1498</u>	Fax: <u>971-275-1856</u>
Name: <u>Ned Taylor, Senior Consultant</u>		Email: <u>ntaylor@hyasgroup.com</u>	
<u>Hyas Group</u>			
Company Name		Authorized Signature for Offer	
<u>108 NW 9th Avenue, Suite #203</u>		<u>Dale Parker</u>	
Address		Printed Name	
<u>Portland</u>	<u>OR</u>	<u>97209</u>	<u>COO</u>
City	State	Zip Code	Title

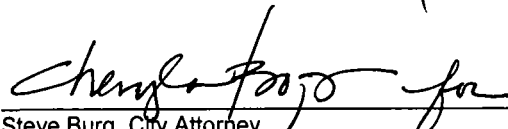
### ACCEPTANCE OF OFFER AND CONTRACT AWARD (For City of Peoria Use Only)

Your offer is accepted by the City, subject to approval of each written exception that your proposal contained. The contract consists of the following documents: 1.) Request for Proposal issued by the City; 2.) Your offer in Response to the City's Request for Proposal; 3.) This written acceptance and contract award.

As the contractor, you are now legally bound to sell the materials and/or services listed by the attached award notice, based on the solicitation of proposals, including all terms, conditions, specifications, amendments and your offer as now accepted by the City. The Contractor shall not commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed Purchase Order or written Notice to Proceed.

Attested by:   
 Rhonda Geriminsky, City Clerk

City of Peoria, Arizona. Effective Date: March 1, 2017

Approved as to form:   
 Steve Burg, City Attorney

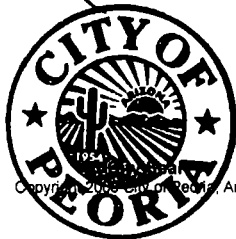
Contract Awarded Date: Sept. 28, 2017

  
 Dan Zenko, Materials Manager

CC: \_\_\_\_\_

**ACON08317**

Official File: \_\_\_\_\_



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# SOLICITATION AMENDMENT

## Materials Management Procurement

9875 N. 85<sup>th</sup> Ave., 2<sup>nd</sup> Fl.  
Peoria, Arizona 85345-6560  
Telephone: (623) 773-7115  
Fax: (623) 773-7118

Solicitation No: P17-0015  
Description: Consultant Services for Deferred Compensation Plan  
Amendment No: One (1)  
Solicitation Due Date: January 10, 2017  
Solicitation Due Time: 5:00 p.m.

Buyer: Lisa Houg

A signed copy of this Amendment shall be received by the City of Peoria, Materials Management no later than the Solicitation Due Date and Time.

The Submittal Requirements Section has been revised to remove the reference to Arizona and to change the Interview date, as indicated below:

### Section B.2. Firm Experience & Staff Qualifications

- Include a listing of ~~Arizona~~ cities your firm has served during the past three (3) years and the level of involvement and consulting services you have provided. Include examples of value-added services provided.
- Identify the specific staff member(s) who will be assigned to the City of Peoria and their specific qualifications as they relate to providing similar services for municipalities. ~~within the state of Arizona.~~

### Section C. Evaluation Criteria

The City may shortlist firms based on the evaluation criteria to bring forward for interviews. Interviews may be held on January 31, 2017 February 6, 2017. If the selection committee determines the scoring shows an interview is not necessary then no interview will be held.

In addition, the following Q&A is indicated below:

- Q1. Can you confirm that consultants that intend to submit a proposal for this RFP are not required to register with the City of Peoria (e.g. on a website)? It has been our experience that many cities / municipalities require a pre-registration and/or certification of consultants prior to the consultant submitting a proposal in response to an RFP.
- A1. No, the City does not require a pre-registration to submit a proposal.
- Q2. Will the consultant be responsible for providing services, as described in the RFP, for any other retirement plans in addition to the 457 Deferred Compensation Plan? For example, will the consultant also be responsible for services applicable to the following plans?:
- 401(a) – For Executives and Managers only
  - 401(a) – for Police Sergeants only
  - Retiree Health Savings (RHS) – Police and Fire Union
- A2. Not at this time.

*All other provisions of this Solicitation shall remain in their entirety.*

Vendor hereby acknowledges receipt and agreement with the amendment.

 2/21/17  
Signature Date

Jason Davison  
Typed Name and Title

Hyas Group, LLC  
Company Name

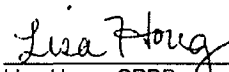
108 NW 9th Avenue, Suite 203  
Address

Portland, OR 97209  
City State Zip

The above referenced Solicitation Amendment is hereby Executed

January 4, 2017

at Peoria, Arizona

  
Lisa Houg, CPPB  
Contract Officer



## SOLICITATION AMENDMENT

### Materials Management Procurement

9875 N. 85<sup>th</sup> Ave., 2<sup>nd</sup> Fl.  
Peoria, Arizona 85345-6560  
Telephone: (623) 773-7115  
Fax: (623) 773-7118

Solicitation No: P17-0015  
Description: Consultant Services for Deferred  
Compensation Plan  
Amendment No: One (1)  
Solicitation Due Date: January 10, 2017  
Solicitation Due Time: 5:00 p.m.

**Buyer:** Lisa Houg

**A signed copy of this Amendment shall be received by the City of Peoria, Materials Management no later than the Solicitation Due Date and Time.**

- Q3. In addition to completing the forms in the Request For Proposal Package, the offeror is expected to submit a proposal in the maximum length of 25 pages printed on paper separate from the forms, correct? This maximum length does not include supplementary documents requested within the RFP, such as the offeror's Form ADV, correct?  
A3. Correct. See page 20, Submittal Requirements Section A, Proposal Format.
- Q4. Are the offerors' Certificates of Insurance expected to be included together with the Proposal submission?  
A4. No, we will request a Certificate of Insurance if selected for contract award.
- Q5. When do the contracts with the existing services providers, i.e. Nationwide and ICMA, expire? This information is important for us to provide the City of Peoria with an accurate fee schedule according to an annual timeline as defined on page 19, paragraph B of the RFP.  
A5. I believe the expiration date is mid 2018, so we would more than likely start the RFP process in January 2018.
- Q6. The RFP states that there is no current Board but the City is interested in establishing one. Would you please describe the governance structure for the oversight of the plans currently? Who reviews the plans and the investments? Will the consultant report to Board or another entity?  
A6. Currently the oversight resides in the Human Resources Department. The plans and investments are provided by the current vendors. The consultant with report to Human Resources and the Board.
- Q7. The RFP states that the City is interested in developing an investment policy statement for the each of the plans? What governance documents exist currently? May we gain access to them?  
A7. There are currently no governance documents.
- Q8. Do you have a current line of funds/managers for the plans? May we gain access to the line-up of funds? Is there overlap in the Fund Options or does each plan have their own fund line-up?  
A8. See attached Plan information.
- Q9. It appears that appointed consultant will be responsible for assisting with a vendor search? Is the City looking to consolidate the record-keepers to one vendor? Will the incumbents be included in the vendor search?  
A9. The vendor search will be conducted to determine the best options available. No decisions on vendors or record keepers have been made. We will work with Consultant to determine what is best for the City.
- Q10. Is there a current investment consultant for the plans? If so, how long have they been in place? Are you able to disclose the current fees for the investment consulting work?  
A10. No & N/A.
- Q11. Is there a specific reason for the request for proposal?  
A11. Addressed in Scope of Work.

**Nationwide**

**457(b) Plan**

AmCent Hertg Inv

AmCent RealEst Inv

AmCent Val Inv

BlkRk Natrl Rsrc Tr Inv A

Fixed Assets

Invsco Gr Inc A

Invsco Intl Gr R5

JPM MidCap Value A

MFS Intl New Disc A

MFS Intl Val R3

Mrly Stbl Val Rtrmt DCVA

NW BD INDX A

NW Dest 2040 Inst Svc

NW Fd Inst Svc

NW HM Bd Inst Svc

NW INTL INDX A

NW Inv Dest Aggr Svc

NW Inv Dest Cnsrv Svc

NW Inv Dest Mod Aggr Svc

NW LgCap Gr

NW MDCAP MKT INDX A

NW Mny Mkt Prm

NW NVIT Mult Mgr Sm Co I

NW S P 500 Indx Inst Svc

NW SMCAP INDX A

NW Sm Co Gr Inst Svc

NW US SmCap Val Inst Svc

Nationwide Fixed Account

NeuBer Genesis Tr

NeuBer Soc Resp Inv

Opp Glbl A

PIMCO Ttl Rtn A

TRowePr Gr Stk Adv

W&R Advisor High Income Y

**ICMA**

**Plan Type: 457**

VT PLUS Fund

VT Cash Management

VT 3 Year BoA CD Account

VT 5 Year BoA CD Account

VT Vantagepoint Cor Bnd Idx

VT Western Asset Core Plus Bnd

VT Vantagepoint Infltn Focused

VT PIMCO High Yield

VT Retirement Income Advantage

VT Vantagepoint MS Ret Inc

VT Vantagepoint Milestone 2010

VT Vantagepoint Milestone 2015

VT Vantagepoint Milestone 2020

VT Vantagepoint Milestone 2025

VT Vantagepoint Milestone 2030

VT Vantagepoint Milestone 2035

VT Vantagepoint Milestone 2040

VT Vantagepoint Milestone 2045

VT Vantagepoint Milestone 2050

VT Vantagepoint MP Cons Growth

VT Vantagepoint MP Trad Growth

VT Vantagepoint MP Gbl Eq Gr

VT Puritan® Fund

VT Vantagepoint Equity Income

VT Invesco Diversified Div

VT AllianzGI NFJ Div Value

VT Vantagepoint 500Stk Idx

VT Vantagepoint Brd Mkt Idx

VT Vantagepoint Grwth & Income

VT Parnassus Core Equity

VT Oppenheimer Main Street  
VT Vantagepoint Growth  
VT Contrafund®  
VT T Rowe Price® Growth Stock  
VT Vantagepoint Select Value  
VT Gold Sachs Mid Cap Value  
VT Vantagepoint Aggressive Ops  
VT AMG TimesSquare Mid Cap Gr  
VT Harbor Mid Cap Growth  
VT Vantagepoint Md/Sm Co Idx  
VT Vantagepoint Discovery  
VT Oppenheimer Discovery  
VT Vantagepoint International  
VT Vantagepoint Overseas Eq Idx  
VT Harbor International  
VT Diversified International  
VantageBroker  
VT Nuveen Real Estate Secs



# REQUEST FOR PROPOSAL

## INSTRUCTIONS TO OFFEROR

### Materials Management Procurement

9875 N. 85<sup>th</sup> Ave., 2<sup>nd</sup> Fl.  
Peoria, Arizona 85345-6560  
Phone: (623) 773-7115  
Fax: (623) 773-7118

#### 1. PREPARATION OF PROPOSAL:

- a. All proposals shall be on the forms provided in this *Request For Proposal* package. It is permissible to copy these forms if required. Telegraphic (facsimile) or mailgram proposals will not be considered.
- b. The Offer and Contract Award document (COP Form 203) shall be submitted with an original ink signature by a person authorized to sign the offer.
- c. Erasures, interlineations, or other modifications in the proposal shall be initialed in original ink by the authorized person signing the Vendor Offer.
- d. If price is a consideration and in case of error in the extension of prices in the proposal, the unit price shall govern. No proposal shall be altered, amended, or withdrawn after the specified proposal due date and time.
- e. Periods of time, stated as a number of days, shall be calendar days.
- f. It is the responsibility of all Offerors to examine the entire *Request For Proposal* package and seek clarification of any item or requirement that may not be clear and to check all responses for accuracy before submitting a bid. Negligence in preparing a Proposal confers no right of withdrawal after proposal due date and time.

2. **INQUIRIES:** Any question related to the *Request For Proposal* shall be directed to the Buyer whose name appears on the front. The Offeror shall not contact or ask questions of the department for which the requirement is being procured. Questions should be submitted in writing when time permits. The Buyer may require any and all questions be submitted in writing at the Buyer's sole discretion. Any correspondence related to a *Request For Proposal* should refer to the appropriate *Request For Proposal* number, page, and paragraph number. However, the Offeror shall not place the *Request For Proposal* number on the outside of any envelope containing questions since such an envelope may be identified as a sealed proposal and may not be opened until after the official *Request For Proposal* due date and time.

3. **PROSPECTIVE OFFERORS CONFERENCE:** A prospective offerors conference may be held. If scheduled, the date and time of this conference will be indicated within this document. The purpose of this conference will be to clarify the contents of this *Request For Proposal* in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this *Request For Proposal* or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine if any action is necessary and may issue a written amendment to the *Request for Proposal*. Oral statements or instructions will not constitute an amendment to this *Request for Proposal*.

4. **LATE PROPOSALS:** Late Proposals will not be considered, except as provided by the **City of Peoria Procurement Code**. A vendor submitting a late proposal shall be so notified.

5. **WITHDRAWAL OF PROPOSAL:** At any time prior to the specified proposal due date and time, a Vendor (or designated representative) may withdraw the proposal. Telegraphic (facsimile) or mailgram proposal withdrawals will not be considered.

6. **AMENDMENT OF PROPOSAL:** Receipt of a Solicitation Amendment (COP Form 207) shall be acknowledged by signing and returning the document prior to the specified proposal due date and time.

7. **PAYMENT:** The City will make every effort to process payment for the purchase of goods or services within thirty (30) calendar days after receipt of goods or services and a correct notice of amount due, unless a good faith dispute exists as to any obligation to pay all or a portion of the account. Any proposal that requires payment in less than thirty (30) calendar days shall not be considered.

8. **NEW:** All items shall be new, unless otherwise stated in the specifications.

9. **DISCOUNTS:** Payment discount periods will be computed from the date of receipt of material/service or correct invoice, whichever is later, to the date Buyer's payment is mailed. Unless freight and other charges are itemized, any discount provided will be taken on full amount of invoice. Payment discounts of thirty (30) calendar days or more will be deducted from the proposal price in determining the low bid. However, the Buyer shall be entitled to take advantage of any payment discount offered by the Vendor provided payment is made within the discount period.

10. **TAXES:** The City of Peoria is exempt from Federal Excise Tax, including the Federal Transportation Tax. Sales tax, if any, shall be indicated as a separate item.

11. **VENDOR REGISTRATION:** After the award of a contract, the successful Vendor shall have a completed Vendor Registration Form (COP Form 200) on file with the City of Peoria Materials Management Division.

#### 12. AWARD OF CONTRACT:

- a. Unless the Offeror states otherwise, or unless provided within this *Request For Proposal*, the City reserves the right to award by individual line item, by group of line items, or as a total, whichever is deemed most advantageous to the City.
- b. Notwithstanding any other provision of this *Request For Proposal*, The City expressly reserves the right to:
  - (1) Waive any immaterial defect or informality; or
  - (2) Reject any or all proposals, or portions thereof, or
  - (3) Reissue a *Request For Proposal*.
- c. A response to a *Request For Proposal* is an offer to contract with the City based upon the terms, conditions and specifications contained in the City's *Request For Proposal* and the written amendments thereto, if any. Proposals do not become contracts unless and until they are accepted by the **City Council**. A contract is formed when written notice of award(s) is provided to the successful Offeror(s). The contract has its inception in the award document, eliminating a formal signing of a separate contract. For that reason, all of the terms and conditions of the procurement contract are contained in the *Request For Proposal*; unless modified by a Solicitation Amendment (COP Form 207) or a Contract Amendment (COP Form 217).



## STANDARD TERMS AND CONDITIONS

### Materials Management Procurement

9875 N. 85<sup>th</sup> Ave., 2<sup>nd</sup> Fl.  
Peoria, Arizona 85345-6560  
Phone: (623) 773-7115  
Fax: (623) 773-7118

THE FOLLOWING TERMS AND CONDITIONS ARE AN EXPLICIT PART OF THE SOLICITATION AND ANY RESULTANT CONTRACT.

1. **CERTIFICATION:** By signature in the Offer section of the Offer and Contract Award page (COP Form 203), the Vendor certifies:
  - a. The submission of the offer did not involve collusion or other anti-competitive practices.
  - b. The Vendor shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246.
  - c. The Vendor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor, or service to a public servant in connection with the submitted offer. Failure to sign the offer, or signing it with a false statement, shall void the submitted offer or any resulting contracts, and the vendor may be debarred.
  - d. The Vendor does not participate in, and agrees not to participate in during the term of any resultant contract, a boycott of Israel in accordance with A.R.S. §35-393.01
2. **GRATUITIES:** The City may, by written notice to the Contractor, cancel this contract if it is found by the City that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City with a view toward securing an order, securing favorable treatment with respect to the awarding, amending, or the making of any determinations with respect to the performing of such order. In the event this contract is cancelled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity. Paying the expense of normal business meals which are generally made available to all eligible city government customers shall not be prohibited by this paragraph.
3. **APPLICABLE LAW:** In the performance of this agreement, contractors shall abide by and conform to any and all laws of the United States, State of Arizona and City of Peoria including but not limited to federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this agreement.

Contractor specifically understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986, and the Drug Free Workplace Act of 1989. In addition, if this agreement pertains to construction, Contractor must also comply with A.R.S. § 34-301, as amended (Employment of Aliens on Public Works Prohibited) and A.R.S. § 34-302, as amended (Residence Requirements for Employees).

Under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter, "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this agreement and shall subject Contractor to penalties up to and including termination of this agreement at the sole discretion of the City. The City may, at its sole discretion, conduct random verification of the employment records of Contractor and any Subcontractors to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any random verifications performed.

Neither Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or the Subcontractor establishes that it has complied with the employment verification provisions prescribed by §§ 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A).

The provisions of this Paragraph must be included in any contract Contractor enters into with any Subcontractors who provide services under this agreement or any subcontract. "Services" is defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

Contractor warrants, for the term of this agreement and for six months thereafter, that it has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities.

This contract shall be governed by the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the City. This contract shall be governed by the laws of the State of Arizona and suit pertaining to this contract may be brought only in courts in the State of Arizona.



## STANDARD TERMS AND CONDITIONS

### Materials Management Procurement

9875 N. 85<sup>th</sup> Ave., 2<sup>nd</sup> Fl.  
Peoria, Arizona 85345-6560  
Phone: (623) 773-7115  
Fax: (623) 773-7118

This contract is subject to the provisions of ARS §38-511; the City may cancel this contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

4. **LEGAL REMEDIES:** All claims and controversies shall be subject to resolution according to the terms of the City of Peoria Procurement Code.
5. **CONTRACT:** The contract between the City and the Contractor shall consist of (1) the Solicitation, including instructions, all terms and conditions, specifications, scopes of work, attachments, and any amendments thereto, and (2) the offer submitted by the Vendor in response to the solicitation. In the event of a conflict in language between the Solicitation and the Offer, the provisions and requirements in the Solicitation shall govern. However, the City reserves the right to clarify, in writing, any contractual terms with the concurrence of the Contractor, and such written contract shall govern in case of conflict with the applicable requirements stated in the Solicitation or the Vendor's offer. The Solicitation shall govern in all other matters not affected by the written contract.
6. **CONTRACT AMENDMENTS:** This contract may be modified only by a written Contract Amendment (COP Form 217) signed by persons duly authorized to enter into contracts on behalf of the City and the Contractor.
7. **CONTRACT APPLICABILITY:** The Offeror shall substantially conform to the terms, conditions, specifications and other requirements found within the text of this specific Solicitation. All previous agreements, contracts, or other documents, which have been executed between the Offeror and the City are not applicable to this Solicitation or any resultant contract.
8. **PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the contract will be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the contract will forthwith be physically amended to make such insertion or correction.
9. **SEVERABILITY:** The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract which may remain in effect without the invalid provision or application.
10. **RELATIONSHIP TO PARTIES:** It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and that the Contractor should make arrangements to directly pay such expenses, if any.
11. **INTERPRETATION-PAROL EVIDENCE:** This contract represents the entire agreement of the Parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this contract are hereby revoked and superseded by this contract. No representations, warranties, inducements or oral agreements have been made by any of the Parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this contract. This contract may not be changed, modified or rescinded except as provided for herein, absent a written agreement signed by both Parties. Any attempt at oral modification of this contract shall be void and of no effect.
12. **NO DELEGATION OR ASSIGNMENT:** Contractor shall not delegate any duty under this Contract, and no right or interest in this Contract shall be assigned by Contractor to any successor entity or third party, including but not limited to an affiliated successor or purchaser of Contractor or its assets, without prior written permission of the City. The City, at its option, may cancel this Contract in the event Contractor undertakes a delegation or assignment without first obtaining the City's written approval. Contractor agrees and acknowledges that it would not be unreasonable for the City to decline to approve a delegation or assignment that results in a material change to the services provided under this Contract or an increased cost to the City.
13. **SUBCONTRACTS:** No subcontract shall be entered into by the contractor with any other party to furnish any of the material, service or construction specified herein without the advance written approval of the City. The prime contractor shall itemize all sub-contractors which shall be utilized on the project. Any substitution of sub-contractors by the prime contractor shall be approved by the City and any cost savings will be reduced from the prime contractor's bid amount. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all



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the terms and conditions set forth herein which shall apply with equal force to the subcontract and if the Subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not Subcontractors are used.

14. **RIGHTS AND REMEDIES:** No provision in this document or in the vendor's offer shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of contract. The failure of the City to insist upon the strict performance of any term or condition of the contract or to exercise or delay the exercise of any right or remedy provided in the contract, or by law, or the City's acceptance of and payment for materials or services, shall not release the Contractor from any responsibilities or obligations imposed by this contract or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of the Contract.
15. **INDEMNIFICATION:** To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable.
- The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.
16. **OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the goods and services used to fulfill the Contract.
17. **FORCE MAJEURE:** Except for payment for sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force Majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; acts of terror, hate crimes affecting public order; riots; strikes; mobilization; labor disputes; civil disorders; fire; floods; lockouts, injunctions-intervention-acts, or failures or refusals to act by government authority; events or obstacles resulting from a governmental authority's response to the foregoing; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this Contract.

Force majeure shall not include the following occurrences:

- a. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences.
- b. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this Force Majeure term and Condition.

Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure. If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand delivered or mailed *Certified-Return Receipt* and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing. The time of completion shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with this contract.

18. **RIGHT TO ASSURANCE:** Whenever one party to this contract in good faith has reason to question the other party's intent to perform he may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made



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and no written assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

19. **RIGHT TO AUDIT RECORDS:** The City may, at reasonable times and places, audit the books and records of any Contractor as related to any contract held with the City. This right to audit also empowers the City to inspect the papers of any Contractor or Subcontractor employee who works on this contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty made pursuant to Paragraph 3 above.
20. **RIGHT TO INSPECT PLANT:** The City may, at reasonable times, inspect the part of the plant or place of business of a Contractor or Subcontractor which is related to the performance of any contract as awarded or to be awarded.
21. **WARRANTIES:** Contractor warrants that all material, service or construction delivered under this contract shall conform to the specifications of this contract. Unless otherwise stated in Contractor's response, the City is responsible for selecting items, their use, and the results obtained from any other items used with the items furnished under this contract. Mere receipt of shipment of the material/service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in the solicitation.
22. **INSPECTION:** All material and/or services are subject to final inspection and acceptance by the City. Materials and/or services failing to conform to the specifications of this Contract will be held at Contractor's risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. The City may elect to do any or all:
  - a. Waive the non-conformance.
  - b. Stop the work immediately.
  - c. Bring material into compliance.This shall be accomplished by a written determination for the City.
23. **TITLE AND RISK OF LOSS:** The title and risk of loss of material and/or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.
24. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach of the Contract as a whole.
25. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment of lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials or a default of any nature, at the option of the City, shall constitute a breach of the Contract as a whole.
26. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading will operate as a tender of the materials.
27. **LIENS:** All materials, service or construction shall be free of all liens, and if the City requests, a formal release of all liens shall be delivered to the City.
28. **LICENSES:** Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.
29. **PATENTS AND COPYRIGHTS:** All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the City and shall not be used or released by the Contractor or any other person except with the prior written permission of the City.
30. **PREPARATION OF SPECIFICATIONS BY PERSONS OTHER THAN CITY PERSONNEL:** All specifications shall seek to promote overall economy for the purposes intended and encourage competition and not be unduly restrictive in satisfying the City's needs. No person preparing specifications shall receive any direct or indirect benefit from the utilization of specifications, other than fees paid for the preparation of specifications.
31. **COST OF BID/PROPOSAL PREPARATION:** The City shall not reimburse the cost of developing presenting or providing any response to this solicitation. Offers submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner.



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32. **PUBLIC RECORD:** All offers submitted in response to this solicitation shall become the property of the City and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the City's Procurement Code. However, subsequent to the award of the contract, any information and documents obtained by the City during the course of an audit conducted in accordance with Paragraph 19 above for the purpose of determining compliance by Contractor or a Subcontractor with the Contractor Immigration Warranty mandated by Paragraph 3 above shall remain confidential and shall not be made available for public review or produced in response to a public records request, unless the City is ordered or otherwise directed to do so by a court of competent jurisdiction.
33. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract, without prior written consent of the City.
34. **DELIVERY ORDERS:** The City shall issue a Purchase Order for the material and/or services covered by this contract. All such documents shall reference the contract number as indicated on the Offer and Contract Award (COP Form 203).
35. **FUNDING:** Any contract entered into by the City of Peoria is subject to funding availability. Fiscal years for the City of Peoria are July 1 to June 30. The City Council approves all budget requests. If a specific funding request is not approved, the contract shall be terminated.
36. **PAYMENT:** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or services and correct invoice.
37. **PROHIBITED LOBBYING ACTIVITIES:** The Offeror, his/her agent or representative shall not contact, orally or in any written form any City elected official or any City employee other than the Materials Management Division, the procuring department, City Manager, Deputy City Manager or City Attorney's office (for legal issues only) regarding the contents of this solicitation or the solicitation process commencing from receipt of a copy of this request for proposals and ending upon submission of a staff report for placement on a City Council agenda. The Materials Manager shall disqualify an Offeror's proposal for violation of this provision. This provision shall not prohibit an Offeror from petitioning an elected official after submission of a staff report for placement on a City Council agenda or engaging in any other protected first amendment activity after submission of a staff report for placement on a City Council agenda.
38. **PROHIBITED POLITICAL CONTRIBUTIONS:** Consultant during the term of this Agreement shall not make a contribution reportable under Title 16, Chapter 6, Article 1, Arizona Revised Statutes to a candidate or candidate committee for any city elective office during the term of this Agreement. The City reserves the right to terminate the Agreement without penalty for any violation of this provision.



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1. **Purpose:** Pursuant to provisions of the City Procurement Code, the City of Peoria, Materials Management Division intends to establish a contract for **Consultant Services for Deferred Compensation Plan**.
2. **Authority:** This Solicitation as well as any resultant contract is issued under the authority of the City. No alteration of any resultant contract may be made without the express written approval of the City Materials Manager in the form of an official contract amendment. Any attempt to alter any contract without such approval is a violation of the contract and the City Procurement Code. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the contractor.
3. **Offer Acceptance Period:** In order to allow for an adequate evaluation, the City requires an offer in response to this Solicitation to be valid and irrevocable for ninety (90) days after the opening time and date.
4. **Cooperative Purchasing:** While this contract is for the City of Peoria, other public agencies and political subdivisions may express interest in utilizing the contract. In addition to the City of Peoria, and with approval of the contractor, this contract may be extended for use by other eligible public agencies (i.e. municipalities, school districts, nonprofit educational institutions, public health institutions, community facilities districts, and government agencies of the State). Eligible public agencies may elect to utilize the contract through cooperative purchasing (or piggybacking) on the contract and do so at their discretion. No volume is implied or guaranteed, and the contractor must be in agreement with the cooperative transaction. The Strategic Alliance for Volume Expenditures (SAVE), a group of school districts and other public agencies, have signed an intergovernmental cooperative purchase agreement to obtain economies of scale. As a member of SAVE, the City of Peoria will act as the lead agency. Any such usage by other participating public agencies must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective public agency. Potential participating public agencies (i.e. municipalities, school districts, nonprofit educational institutions, public health institutions, community facilities districts, and government agencies of the State) recognize potential equipment, logistical and capacity limitations by the contractor may limit the contractor's ability to extend use of this contract. Any orders placed to the contractor will be placed by the specific public agency participating in this purchase, and payment for purchases made under this agreement will be the sole responsibility of each participating public agency. The City of Peoria shall not be responsible for any disputes arising out of transactions made by others.
5. **Contract Type:** Term
6. **Term of Contract:** The term of any resultant contract shall commence *on the date of award* and shall continue for a period of two (2) years thereafter, unless terminated, cancelled or extended as otherwise provided herein.
7. **Contract Extension:** By mutual written contract amendment, any resultant contract may be extended for supplemental periods of up to a maximum of eight (8) years.
8. **Proposal Opening:** Proposals shall be submitted at the time and place designated in the request for proposals. All information contained in the proposals shall be deemed as exempt from public disclosure based on the City's need to avoid disclosure of contents prejudicial to competing offerors during the process of negotiation. The proposals shall not be open for public inspection until after contract award. After contract award, the successful proposal and the evaluation documentation shall be open for public inspection.
9. **Proposal Format:** Proposals shall be submitted in one (1) original and **three (3) copies** on the forms and in the format as contained in the Request for Proposal. Proposals shall be on 8 1/2" & 11" paper with the text on one side only. All submittal information must contain data for only the local office(s) which will be performing the work.
10. **Evaluation:** In accordance with the City of Peoria Procurement Code, awards shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the City, based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.
  - a. Method of Approach.
  - b. Experience & Qualifications.
  - c. Cost Considerations.
  - d. Conformance to Request for Proposal.



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The City reserves the right to consider historic information and facts, whether gained from the Offeror's proposal, questions and answer conferences, references, or other source and the views of the evaluator(s) with prior Contract or service delivery experience with any of the Offerors, while conducting the proposal evaluations.

11. **Discussions:** In accordance with the City of Peoria Procurement Code, after the initial receipt of proposals, discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award.
12. **Interview Guidelines:** During any requested interview, which would be scheduled in the future, be prepared to discuss your firm's proposal, staff assignments, project approach and other pertinent information. The presentation shall be approximately 30 minutes, allowing 15 minutes for a question and answer session. The Consultant's Project/Team Manager shall lead the presentation team and answer questions on behalf of the Consultant. If work involves a major sub-consultant, the firms Project/Team Manager's presence may also be requested (by the City) at the interview.
13. **Affirmative Action Report:** It is the policy of the City of Peoria that suppliers of goods or services to the City adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire, and promote regardless of race, color, religion, gender, national origin, age or disability. The City of Peoria encourages diverse suppliers to respond to solicitations for products or services.
14. **Performance Warranty:** Contractor warrants that the services rendered in performance will conform to the requirements and to the highest professional standards of the industry.
15. **Permits and Approvals:** Contractor agrees and undertakes to obtain necessary permits and approvals from all local, state and federal authorities for the project.
16. **Inspection:** All work shall be subject to inspection, surveillance, and test by the City at reasonable times during the performance. The Contractor shall provide and maintain an inspection system which is acceptable to the City.
17. **Investigation of Conditions:** The Contractor warrants and agrees familiarity of the work that is required, is satisfied as to the conditions under which is performed and enters into this contract based upon the Contractor's own investigation.
18. **Compensation:** Compensation for services shall be based upon fees negotiated, including all approved costs and expenses incurred in connection with the project; including but not limited to, telephone and other communications, reproduction of documents, special consultants (as approved by the City) and computer costs.
19. **Acceptance:** Determination of the acceptability of work shall be completed in a responsive and professional manner and in accordance with the specifications, schedules, or plans which are incorporated in the Scope of Work.
20. **Insurance Requirements:** The Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of A-, or approved unlicensed in the State of Arizona with policies and forms satisfactory to the City.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the City, constitute a material breach of this Contract.

The Contractor's insurance shall be primary insurance as respects the City, and any insurance or self-insurance maintained by the City shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the City.

The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against the City, its agents, representatives, directors, officers, and employees for any claims arising out of the Contractor's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the City under such policies. The Contractor shall be solely responsible for the deductible and/or self-insured retention and the City, at its option, may require



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the Contractor to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit.

The City reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and endorsements. The City shall not be obligated, however, to review same or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Contractor's obligations under this Contract.

The insurance policies, except Workers' Compensation and Professional Liability, required by this Contract, shall name the City, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

#### 21. Required Insurance Coverage:

##### a. Commercial General Liability

Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011207 or any replacements thereof. The coverage shall not exclude X, C, U.

Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, nor any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form B, CG 20370704, and shall include coverage for Contractor's operations and products and completed operations.

Any Contractor subletting any part of the work, services or operations awarded to the Contractor shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of the Contractor's work, service or operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than \$1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues the Contractor's Commercial General Liability insurance.

##### b. Automobile Liability

Contractor shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to the Contractor's any owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00010306, or any replacements thereof). Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

##### c. Workers' Compensation

The Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

In case any work is subcontracted, the Contractor will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of the Contractor.

##### d. Professional Liability



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The Contractor retained by the City to provide the work or service required by this Contract will maintain Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the work or services performed by the Contractor, or any person employed by the Contractor, with a limit of not less than \$1,000,000 each claim.

22. **Certificates of Insurance:** Prior to commencing work or services under this Contract, Contractor shall furnish the City with Certificates of Insurance, and formal endorsements as required by the Contract, issued by Contractor's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect.

In the event any insurance policy(ies) required by this contract is(are) written on a "Claims made" basis, coverage shall extend for two years past completion and acceptance of the Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the City fifteen (15) days prior to the expiration date.

All Certificates of Insurance shall be identified with bid serial number and title. A \$25.00 administrative fee will be assessed for all certificates received without the appropriate bid serial number and title.

23. **Cancellation and Expiration Notice:** Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the City.

24. **Independent Contractor:**

a. General

- i. The Contractor acknowledges that all services provided under this Agreement are being provided by him as an independent contractor, not as an employee or agent of the City Manager or the City of Peoria.
- ii. Both parties agree that this Agreement is nonexclusive and that Contractor is not prohibited from entering into other contracts nor prohibited from practicing his profession elsewhere.

b. Liability

- i. The City of Peoria shall not be liable for any acts of Contractor outside the scope of authority granted under this Agreement or as the result of Contractor's acts, errors, misconduct, negligence, omissions and intentional acts.
- ii. To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the City, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

c. Other Benefits

The Contractor is an independent contractor, therefore, the City Manager will not provide the Contractor with health insurance, life insurance, workmen's compensation, sick leave, vacation leave, or any other fringe benefits. Further, Contractor acknowledges that he is exempt from coverage of the Comprehensive Benefit and Retirement Act (COBRA). Any such fringe benefits shall be the sole responsibility of Contractor.



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25. **Key Personnel:** It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor must agree to assign specific individuals to the key positions.
- The Contractor agrees that, once assigned to work under this contract, key personnel shall not be removed or replaced without written notice to the City.
  - If key personnel are not available for work under this contract for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the City, and shall, subject to the concurrence of the City, replace such personnel with personnel of substantially equal ability and qualifications.
26. **Confidential Information:**
- If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a statement advising the Materials Supervisor of this fact shall accompany the submission and the information shall be identified.
  - The information identified by the person as confidential shall not be disclosed until the Materials Supervisor makes a written determination.
  - The Materials Supervisor shall review the statement and information and shall determine in writing whether the information shall be withheld.
  - If the Materials Supervisor determines to disclose the information, the Materials Supervisor shall inform the bidder in writing of such determination.
27. **Confidentiality of Records:** The contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that information contained in its records or obtained from the City or from others in carrying out its functions under the contract shall not be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information should be referred to the City. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of contractor as needed for the performance of duties under the contract.
28. **Identity Theft Prevention:** The Contractor shall establish and maintain Identity Theft policies, procedures and controls for the purpose of assuring that "personal identifying information," as defined by A.R.S. § 13-2001(10), as amended, contained in its records or obtained from the City or from others in carrying out its responsibilities under the Contract, is protected at all times and shall not be used by or disclosed to unauthorized persons. Persons requesting such information should be referred to the City. Contractor also agrees that any "personal identifying information" shall not be disclosed other than to employees or officers of Contractor as needed for the performance of duties under the Contract. Contractor agrees to maintain reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft. Contractor is required under this contract to review the City of Peoria's Identity Theft Program and to report to the Program Administrator any Red Flags as defined within that program. At a minimum, the contractor will have the following Identity Theft procedures in place:
- Solicit and retain only the "personal identifying information" minimally necessary for business purposes related to performance of the Contract.
  - Ensure that any website used in the performance of the contract is secure. If a website that is not secure is to be used, the City shall be notified in advance before any information is posted. The City reserves the right to restrict the use of any non-secure websites under this contract.
  - Ensure complete and secure destruction of any and all paper documents and computer files at the end of the contracts retention requirements.
  - Ensure that office computers are password protected and that computer screens lock after a set period of time.
  - Ensure that offices and workspaces containing customer information are secure.



## SPECIAL TERMS AND CONDITIONS

Solicitation Number: P17-0015

### Materials Management Procurement

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f. Ensure that computer virus protection is up to date

29. **Ordering Process:** Upon award of a contract by the City of Peoria, Materials Management Division may procure the specific material and/or service awarded by the issuance of a purchase order to the appropriate contractor. The award of a contract shall be in accordance with the City of Peoria Procurement Code and all transactions and procedures required by the Code for public bidding have been complied with. A purchase order for the awarded material and/or service that cites the correct contract number is the only document required for the department to order and the contractor to delivery the material and/or service.

Any attempt to represent any material and/or service not specifically awarded as being under contract with the City of Peoria is a violation of the contract and the City of Peoria Procurement Code. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the contractor.

30. **Billing:** All billing notices to the City shall identify the specific item(s) being billed and the purchase order number. Items are to be identified by the name, model number, and/or serial number most applicable. Any purchase/delivery order issued by the requesting agency shall refer to the contract number resulting from this solicitation.

31. **Licenses:** Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor.

32. **City of Peoria Business License:** Peoria City Code requires that all persons conducting business in the City of Peoria must first obtain a license. This includes businesses within the Peoria city limits, or those outside the limits who conduct business or perform services within Peoria. For business license questions or to obtain a license, please contact the City of Peoria Sales Tax & License Division at (623) 773-7160 or via email at [salestax@peoriaAZ.gov](mailto:salestax@peoriaAZ.gov).

33. **Contract Termination:** Any contract entered into as a result of this Solicitation is for the convenience of the City and as such, may be terminated without default by the City by providing a written thirty (30) day notice of termination.

34. **Cancellation:** The City reserves the right to cancel the whole or any part of this contract due to failure by the contractor to carry out any obligation, term or condition of the contract. The City will issue written notice to the contractor for acting or failing to act as in any of the following:

- a. The contractor provides material that does not meet the specifications of the contract;
- b. The contractor fails to adequately perform the services set forth in the specifications of the contract;
- c. The contractor fails to complete the work required or to furnish the materials required within the time stipulated in the contract;
- d. The contractor fails to make progress in the performance of the contract and/or gives the City reason to believe that the contractor will not or cannot perform to the requirements of the contract.

Upon receipt of the written notice of concern, the contractor shall have ten (10) days to provide a satisfactory response to the City. Failure on the part of the contractor to adequately address all issues of concern may result in the City resorting to any single or combination of the following remedies:

- a. Cancel any contract;
- b. Reserve all rights or claims to damage for breach of any covenants of the contract;
- c. Perform any test or analysis on materials for compliance with the specifications of the contract. If the results of any test or analysis find a material non-compliant with the specifications, the actual expense of testing shall be borne by the contractor;
- d. In case of default, the City reserves the right to purchase materials, or to complete the required work in accordance with the City Procurement Code. The City may recover any actual excess costs from the contractor by:
  - i. Deduction from an unpaid balance;



## SPECIAL TERMS AND CONDITIONS

Solicitation Number: **P17-0015**

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ii. Any combination of the above or any other remedies as provided by law.

35. **Project Travel Reimbursable Expenses:** If travel expenses are allowed as part of the contract the reimbursable expenses will be as follows. All expenses will be billed to the City at cost without markup. Copies of bills for expenses are to be submitted with the invoice. Travel time to and from job site is excluded from this contract. There will be no allowances for parking or personal car mileage. No incidentals for travel of any kind are allowed under this contract.

The following is a list of allowable travel expenses under this contract agreement:

a. Transportation:

- i. Air Transportation – coach class fares, minimum 14 days advanced purchase, unless otherwise agreed upon.
- ii. Car Rental – mid size car, gas for rental car (City assumes no liability regarding additional insurance costs).

b. Lodging and Meals:

- i. Meals – three meals per day, at the current federal per diem rate for Maricopa County.
- ii. Lodging – not to exceed the current federal rate for Maricopa County. Vendors are encouraged to stay in hotels located within the City of Peoria when practical. A listing of accommodations within Peoria can be found on the following website: <http://www.peoriaaz.gov/NewSecondary.aspx?id=51353>

36. **Protest Policy and Procedures:** The City of Peoria protest policy and procedures are available for review at the following public websites and as per ARS 34-603.C.2(f).

- a. The City of Peoria Protest Policy and Procedures are available online at <http://www.peoriaaz.gov/newsecondary.aspx?id=2071>.

The policy is contained within the City of Peoria Procurement Code, Chapter 2- Administration, section 2-321. Procurement Code Protests; Informal and Formal.

- b. The specific protest procedures are contained in the Materials Management “Procurement Administrative Guidelines” and can be accessed at <http://www.peoriaaz.gov/NewSecondary.aspx?id=54937> in the “Downloads” box on the right side of the web page.



## SCOPE OF WORK

Solicitation Number: P17-0015

### Materials Management Procurement

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### 1. PURPOSE

The City of Peoria (City) is soliciting proposals from qualified firms to provide 457 plan and investment consulting services for the City of Peoria Deferred Compensation Plan (the Plan).

### 2. PLAN OVERVIEW

The City of Peoria Deferred Compensation Plan is a non-qualified tax-deferred savings program. The City currently contracts with Nationwide and ICMA to provide all recordkeeping, enrollment and communications services for the Plans. The City does not have a Board established at this time but is interested in developing a Board. The City is also interested in developing an Investment Policy.

As of September 30, 2016, the ICMA Plan has \$56,642,396 in assets and 1,289 participants. The Nationwide plan has \$2,514,596 in assets and 49 participants.

### 3. STATEMENT OF NEEDS

The City seeks the following services:

- General 457 plan and investment consulting services;
- Bi-Annual investment performance reviews and, as needed, fund searches; and
- Service provider RFP development, proposal analysis, contract negotiations, and transition services prior to expiration of the current contract or any extension.

The Contractor shall provide 457 deferred compensation plan and investment consulting services for the Deferred Compensation Plan. Some services must be performed periodically, and others must be performed on an as-needed basis. The Contractor will be required to perform all periodic services according to a schedule established in the contract or as mutually agreed upon by the City, and all unscheduled services are to be performed on an ad hoc basis as required by the City.

#### A. CONSULTING SERVICES

The Contractor shall generally advise the Plan and City as needed, including the following:

1. The Plan design and operations, strategic goals, communication and detailed investment education programs, industry best practices for both internal and plan service provider procedures; and federal and Arizona law and regulatory changes. The Contractor shall periodically work with City to review the Plan Document in light of changes in governing law, industry best practices, and other developments affecting plan design and make recommendations for modifications to the Plan document.
2. Industry and plan sponsor trends (government sector), new investment products and developing industry best practices for both internal and external service provider functions.
3. Plan design, services, and fee benchmarking.



## SCOPE OF WORK

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4. Investment strategies for structuring a retirement investment program suitable to the long-term needs and risk tolerances of each Plan participant.
5. Stable value fund separate account structure, investment strategy, wrap provisions, performance, crediting rate, and fees.
6. Training for City Board and staff on fiduciary duties, industry or regulatory developments, or other pertinent topics, on request of the City.
7. Other matters as requested by the Plan.

Upon development of the Board, it is anticipated that the Contractor shall attend a minimum of one annual meeting of the City Board of Trustees' Deferred Compensation Committee, as well as other meetings as required by the Board or its designees.

### B. CONTRACT ADMINISTRATIVE SERVICES

The Contractor will advise the Plan regarding ongoing administration of third-party record keeper and investment manager services, including:

1. Record keeping services.
2. Enrollment and communications services.
3. Participant educational services.
4. Participant customer services.

The consultant will periodically review fee arrangements of service providers to the Plan and assist the Board in identifying indirect compensation elements of service providers.

On request of the City, the Contractor shall act as an intermediary with the record keeper, investment managers, vendors and City staff, including participating in problem resolution and strategic planning.

### C. INVESTMENT POLICY AND FUND SEARCHES

1. Assist in the development of City Board of Trustees' Deferred Compensation Committee.
2. Assist the Board in the formulation and on-going review of policies and procedures pertaining to the Plan's investment options and its administration.
3. Evaluate and make recommendations to the Board regarding the Plan's investment options and potential modifications to the Plan's investment structure or investment options
4. Subject to adoption by the Board, the Contractor shall develop and periodically review and update the Plan's Investment Policy for selection of appropriate investment fund managers, mutual funds or other suitable investments within the framework determined by the Plan, including the asset classes that may be offered through the Plan, criteria for selection of



## SCOPE OF WORK

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individual investment options and monitoring their performance; and the procedures and standards for review and replacement of investment options.

5. The Contractor shall manage a "watch list" of investment options per the investment policy, including monitoring which investment options should be added to the list per the Investment Policy; monitoring their status; as needed, conducting comprehensive reviews of these investment options; and recommending removal of such investment options from the watch list or a search for an alternate investment.
6. The Contractor shall perform searches and recommend alternative investment options as needed per the Investment Policy or as requested by the Deferred Compensation Committee.
7. Update the Board on developments in the financial services industry and financial market, and provide analysis and recommendations with respect to such developments.

#### **D. INVESTMENT REVIEW SERVICES**

The Contractor will provide written investment performance review reports and review each report with the Deferred Compensation Committee of the Board of Trustees. The report will include the following:

1. An economic overview and general market conditions for the reporting period.
2. A comparison of each investment option's performance to appropriate market indices and universes of similarly managed vehicles, consistent with the benchmarks for that asset class established in the Investment Policy.
3. Verification of investment style consistency for each investment option, consistent with that asset class.
4. A measurement of the risk characteristics of each investment option.
5. Historical performance with a focus on consistency.
6. Morningstar or equivalent ratings.
7. Comments on manager tenure and on the utilization of funds among participants.
8. A review of expenses and returns of each fund option.
9. An analysis of the extent to which investment policies have been carried out and how they have affected actual fund performance.
10. Recommendations for alternatives to address any of the above.
11. A summary of findings and recommendations based on the strengths and/or weaknesses of individual funds.

#### **E. RFP DEVELOPMENT PROCESS AND CONTRACT NEGOTIATIONS**

The Contractor will be responsible for the following items:



## SCOPE OF WORK

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1. Consult with the City regarding RFP goals and policy issues, including:
  - a. Current market services and trends.
  - b. Appropriateness of various service delivery and fee structures given the Plan's size and characteristics.
2. Provide consultation regarding the RFP process, including time schedules, advertising and distribution of the RFP; and criteria and tools for evaluating proposal responses.
3. Provide a comprehensive, detailed report analyzing and comparing all proposals, including recommendations with supporting detail. The report must include an evaluation of each firm's ability to record keep the Plan's fund options on its record keeping platform and an in-depth analysis of any semi-bundled investment options (such as the stable value fund currently).
4. Provide primary support for negotiation and contract finalization process.

These services must be completed a minimum of six (6) months before expiration of the existing service provider contract.

### F. POST-SELECTION CONTRACTOR TRANSITION SERVICES

The Contractor will advise the Plan regarding transition services, which includes the following:

1. Develop a strategy to successfully migrate the current investment options, investment managers and record-keeping services to the selected service provider.
2. Review and make recommendations regarding education and participant training materials developed by the selected plan service provider for completeness and accuracy.
3. As required, assist the Plan in meeting with or making presentations to various Plan stakeholder groups related to the new contract and the transition process.
4. Assist the Plan in the execution of other related transition duties, as requested by the City.

### G. ADDITIONAL SERVICES

1. Occasionally, the Contractor may be expected to provide additional consulting services, assist with other technical issues, or contribute to reports that are not addressed elsewhere in the Scope of Work.
2. These additional services must be performed on an as-needed basis according to a schedule mutually agreed upon by City of Peoria and the Contractor.
3. To the extent such services exceed the scope of the contract, fees will be negotiated with the Contractor on an as-needed basis.



## FEE SCHEDULE

### Materials Management Procurement

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Solicitation Number: P17-0015

#### I. FEES & FEE STRUCTURE

A. Please describe how fees are determined for your firm's services. Fully describe any formulas used in deriving the fixed price and all assumptions used, including number of in-person meetings, number of fund searches, and number of proposals evaluated during the RFP process. Any limitations or "not-to-exceed" conditions on such services must be explicitly stated. Bidder cost proposals shall be presented in sufficient clarity and detail to enable the City to validate the costs.

B. Provide your fee schedule for the basic services outlined in the Scope of Work. The bidder must provide a total, fixed price for the services described in the RFP, including expenses. Fees for the following are to be identified separately as a fixed price, each by plan year (for the first 5 years).

- General Plan Consulting
- Contract Administrative Services
- Investment Policy and Fund Searches\*
- Investment Review Services
- RFP Development Process and Contract Negotiations\*
- Post-Selection Contractor Transition Services\*

Unless otherwise specified, the basic fees should include all items specified in the Scope of Work. The proposed fee shall be all-inclusive, reflecting all travel, labor, and incidental costs. In addition, please provide hourly rates for "Additional Services," including travel, labor, and incidental costs.

C. Please describe any fees that are not included in the aggregate fixed fees discussed in the Scope of Work.

*\*It is anticipated that the services identified below will be done one-time only during the duration of the contract term. These one-time only services include: Development of Board and Development of Investment Policy (General Plan Consulting), RFP Development Process and Contract Negotiations, and Post Selection Contractor Transition Services. Fees for these services should not extend into each plan year.*

*Payment: The Consultant payment(s) shall be made from funds paid to City by its Deferred Compensation Providers.*



## SUBMITTAL REQUIREMENTS

Solicitation Number: P17-0015

### Materials Management Procurement

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#### A. Proposal Format

Proposals shall be submitted in one (1) original and three (3) copies on the forms and in the format as contained in the Request for Proposal. Proposals shall be on 8 1/2" & 11" paper with the text on one side only. All submittal information must contain data for the office(s) which will be performing the work. The proposals should be submitted in the maximum length of 25 pages, excluding Cover Letter, Tabs/Dividers and other City forms.

#### B. Proposal Content - the following items shall be addressed in the proposal submission:

##### 1. Method of Approach to accomplish the Scope of Work

- Provide a detailed description of your firm's key strengths and overall method of approach to providing Deferred Compensation Plan Consulting Services.
- Discuss other issues that may not have been identified in the Scope of Work, but that may be of relevance and importance based upon your firm's experience in providing similar services.

##### 2. Firm Experience & Staff Qualifications

- Include a listing of Arizona cities your firm has served during the past three (3) years and the level of involvement and consulting services you have provided. Include examples of value-added services provided.
- Identify the specific staff member(s) who will be assigned to the City of Peoria and their specific qualifications as they relate to providing similar services for municipalities within the state of Arizona.

##### 3. Cost Considerations

- Submit Fee Schedule to indicate Fees and Fee Structure.

##### 4. Conformance to RFP

- Submit signed RFP Cover Sheet (Offer & Acceptance form), must be signed by person authorized to sign on behalf of company.
- Submit completed Questionnaire forms.
- If applicable, signed Solicitation Amendments.

#### C. Evaluation Criteria

The proposals will be evaluated on the criteria as outlined in the Special Terms and Conditions, Section 10, Evaluation.

The City may shortlist firms based on the evaluation criteria to bring forward for interviews.

**Interviews may be held on January 31, 2017.** If the selection committee determines the scoring shows an interview is not necessary then no interview will be held.



## SUBMITTAL REQUIREMENTS

Solicitation Number: P17-0015

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#### D. Proposal Submittal and Contact Information

Proposals will be submitted in one (1) original and three (3) copies and shall be delivered to:

City of Peoria  
Materials Management  
9875 N. 85<sup>th</sup> Avenue  
Peoria, AZ 85345

**The proposal shall be due no later than 5:00 p.m. on January 10, 2017.**

**All questions regarding the proposal should be directed to Lisa Houg at [Lisa.Houg@peoriaaz.gov](mailto:Lisa.Houg@peoriaaz.gov)**



## QUESTIONNAIRE

Solicitation Number: **P17-0015**

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1. During the past five years, has your organization or any of its affiliates, parent or predecessor organizations or any officer or principal of your organization been involved in any business litigation, regulatory or legal proceedings? If yes, please provide a brief explanation and indicate the current status of the proceedings.  
No.
2. During the past five years, has your organization or any of its affiliates, parent or predecessor organizations or any officer or principal of your organization been the subject of an audit, inquiry, or administrative action by the SEC, IRS, U.S. Justice Department, or state regulatory body? If yes, please provide a brief explanation and indicate the current status of the proceedings.  
No.
3. Is your firm registered with the SEC or a state securities regulator as an investment advisor? If so, have you provided us with all the disclosures required under those laws? Please provide a complete copy of your latest Form ADV as it is on file with the Securities and Exchange Commission. Please see Section 5 for our most recent SEC Form ADV Part 1, Part 2, and Part 2 supplement. The City's receipt of Hyas Group ADV Forms meets with SEC requirements.
4. Please describe in detail any potential conflicts of interest your firm may experience in providing services to the Board, including activities of affiliated organizations and existing relationships with all categories of Plan service providers. Neither the Hyas Group nor any of its employees have any clients or associations that could present a conflict of interest.
5. Please list references for three (3) plans comparable in size to the City of Peoria for whom the primary consultant to be assigned to the City account has provided 457 plan and investment consulting services in the last five years. For each reference, include client name, address, name of contact person, e-mail address, telephone number, and the plan's asset base.  
Please see Section 6 for our client references.



# QUESTIONNAIRE

## Materials Management Procurement

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Solicitation Number: P17-0015

Offeror acknowledges that **NO** changes to the City's Insurance Requirements, Indemnification and Document Use requirements will be granted, and that any changes or modifications requested may result in the offeror's proposal being rejected.

Yes     No *If no, give reason below*

Offeror acknowledges acceptance of the City of Peoria's Standard Terms and Conditions and Special Terms and Conditions and takes no exceptions.

Yes     No *If no, give reason below*

Although the Hyas Group takes no exceptions to the Terms and Conditions, there are certain passages required by the SEC that need to be acknowledged in writing. We typically incorporate these passages into our Service Agreement. Please see the following page for a description of these requirements.

Has your firm been certified by any jurisdiction in Arizona as a minority or woman owned business enterprise?    Yes \_\_\_\_\_,    No  \_\_\_\_\_.

If yes, please provide details and documentation of the certification.

The following passages can be included in the contract or a written acknowledgement by the client would also satisfy the SEC requirements.

**Proxy Voting.** Consultant does not exercise proxy voting authority over client securities. The obligation to vote client proxies at all times rests with Client. However, Client is not precluded from contacting Consultant for advice or information about a particular proxy vote. However, Consultant will not be deemed to have proxy voting authority as a result of providing such advice to Client.

Should Consultant inadvertently receive proxy information for a security held in the Plan's account, Consultant will immediately forward such information to Client, but will not take any further action with respect to the voting of such proxy. Upon termination of this Agreement, Consultant will make a good faith and reasonable attempt to forward proxy information inadvertently received by Consultant on Client's behalf to the forwarding address provided by Client.

**Risk.** Client recognizes that there may be loss or depreciation of the value of any investment due to the fluctuation of market values. Client represents that no party to this Agreement has made any guarantee, either oral or written, that the Plan's investment objectives will be achieved. Consultant will not be liable for any error in judgment and/or for any investment losses in the absence of malfeasance, negligence or violation of applicable law. Nothing in this Agreement will constitute a waiver or limitation of any rights which Client may have under applicable state or federal law, including without limitation state and federal securities laws.

**Confidentiality.** In connection with the performance of Consultant's services under this Agreement, Consultant will hold any confidential information received from Client in strict confidence. Consultant will not disclose such information to any third party, except in compliance with Consultant's privacy policy, as necessary to perform services on Client's behalf, or as required by law. Client also agrees to respect the proprietary nature of Consultant's work product, and only disclose Consultant's advice, reports and recommendations to others in a manner consistent with the intended purposes of this agreement.

**No Waiver.** No waiver of rights under this Agreement or the Scope of Work hereunder by either party shall constitute a subsequent waiver of this or any other right under this Agreement.

**Severability.** In the event that any of the terms of this Agreement or any Scope of Work hereunder or the performance of any obligation by either party thereunder becomes or is declared to be illegal by any court of competent jurisdiction or other governmental body, such term(s) shall be null and void and shall be deemed deleted from this Agreement or the Scope of Work. All remaining terms of this Agreement shall remain in full force and effect

**Acknowledgement of Receipt of Part 2 Form ADV.** Client acknowledges that it has received and has had an opportunity to read Consultant's firm brochure (Form ADV, Part 2A) and applicable brochure supplements (Form ADV, Part 2B) prior to, or at the time of, entering into this Agreement.

**Acknowledgement of Receipt of Privacy Notice.** Client acknowledges that it has received and has had an opportunity to read Consultant's privacy notice prior to, or at the time of, entering into this Agreement.

February 9, 2017

**Lisa Houg, CPPB**

City of Peoria  
Materials Management  
9875 N. 85th Avenue  
Peoria, Arizona 85345

**RE: Best and Final Offer Request—Consultant Services for Deferred Compensation Plan Solicitation Number P17-0015**

Dear Lisa,

We appreciate the opportunity to respond to the City's Best and Final Offer Request and we are excited to be in a position to offer our consulting services.

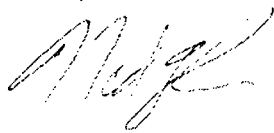
Per your request, below is the Hyas Group's best and Final offer for the City of Peoria:

	Year 1	Year 2	Year 3	Year 4	Year 5
General Plan Consulting	\$32,000	\$32,000	\$32,000	\$33,000	\$33,000
Contract Administrative Services	Included	Included	Included	Included	Included
Investment Policy and Fund Searches	Included	Included	Included	Included	Included
Investment Review Services	Included	Included	Included	Included	Included
RFP Dev. Process and Contract Negotiations	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Post-Selection Contractor Transition Services	Included	Included	Included	Included	Included
<b>Total Annual Fixed Pricing</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$39,000</b>	<b>\$39,000</b>

We assumed amortizing the recordkeeping RFP over the course of a five-year term. We understand that the initial term is 2 years. If after the initial term, the Hyas Group is not renewed, the \$6,000 RFP fee in years 3-5 would not be collected. Should the contract extend beyond five years and no other RFP is needed at that time, our fee would drop by \$6,000 in year six.

Thank you again for the opportunity. You may direct all inquiries to me at the contact information provided below. We look forward to hearing from you regarding next steps.

Sincerely,



**Ned Taylor**

Senior Consultant  
p. (971) 634-1498  
email: [ntaylor@hyasgroup.com](mailto:ntaylor@hyasgroup.com)



108 NW 9<sup>th</sup> Ave #203  
Portland, Ore. 97209  
(971) 634-1500  
[hyasgroup.com](http://hyasgroup.com)

## Proposed Timeline City of Peoria, AZ

	Week of	Responsible Parties	Meeting or Decision Only
<b>Clarify City's procurement roles and responsibilities</b>	5/1/17	Hyas, City	<b>M</b>
<b>Initial meeting to discuss timeline and RFP document</b>	5/8/17	Hyas, City	<b>M</b>
Distribute data request to Nationwide and ICMA-RC (RKs)	3/1/17	Hyas	
Consider issuing provisional put notices to Nationwide and ICMA-RC (RKs)	5/8/17	Hyas, City	D
Receive information from RKs	5/19/17	RKs	
First draft of RFP sent to City for review	5/29/17	Hyas	
Send comments to Hyas	6/12/17	City	D
Second draft of RFP sent to City for review	6/26/17	Hyas	
Final draft RFP delivered to City for final comments	7/3/17	Hyas	D
RFP is distributed and posted	7/17/17	Hyas, City	
Written questions from bidders due	8/7/17	Bidders	
Response to bidders questions due	8/21/17	Hyas, City, and RKs	
RFP responses due	9/4/17	Bidders	
Response analysis begins	9/4/17	Hyas	
RFP summary report delivered to City	10/2/17	Hyas	
<b>Meeting to discuss report and recommendations</b>	<b>10/16/17</b>	<b>Hyas, City</b>	<b>M</b>
Finalist interview candidates selected	10/16/17	Hyas, City	D
Interview format, timing, questions and scoring (if necessary) finalized	10/16/17	Hyas, City	D
<b>Finalist interviews</b>	<b>11/13/17</b>	<b>Hyas, City, Bidders</b>	<b>M</b>
Final clarifications with best and final offers due	11/27/17	Hyas, Bidders	D
Notice of intent to award	12/4/17	City, Bidders	
Contract negotiation begins	12/11/17	Hyas, City, Finalist	
Transition planning begins	12/18/17	Hyas, City, Finalist	
First draft of finalist contract due	12/25/17	Finalist	
<b>Analysis of investment options presented</b>	<b>1/1/18</b>	<b>Hyas</b>	<b>M</b>
Second draft of finalist contract due and submitted to legal	1/8/18	Hyas, City, Finalist	
Final fund line-up selected	1/15/18	Hyas, City	D
Final contract ready for City approval if necessary	1/22/18	City, Finalist	
First participant transition communication sent for review and approval	1/29/18	Hyas, City, Finalist	
Transition planning and execution continues	2/5/18	City, Hyas, Finalist	
First participant communication sent	2/12/18	Finalist	
Second participant transition communication sent for review and approval	2/19/18	Hyas, City, Finalist	
Second participant communication sent	2/26/18	Hyas, City, Finalist	
<b>Participant meetings and provider presentations begin</b>	<b>3/5/18</b>	<b>City, Finalist</b>	<b>M</b>
Participant meetings and provider presentations continue	3/12/18	City, Finalist	
Data reconciliation begins	3/19/18	City, Finalist	
Data testing continues	3/26/18	City, Finalist	
Participant meetings and provider presentations continue	4/2/18	City, Finalist	
Final data reconciliation	4/16/18	City, Finalist	
Transition complete	4/30/18	Hyas, City, Finalist	



ORIGINAL

**CITY OF PEORIA, ARIZONA**

**Request for Proposal**

**Solicitation Number P17-0015**

Consultant Services for Deferred Compensation Plan

Hyas Group Response – January 10, 2017

**Prepared by:**

Ned Taylor  
Hyas Group  
108 NW 9th Avenue, Suite 203  
Portland, Oregon 97209  
ntaylor@hyasgroup.com  
(971) 634-1498

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# SECTION 1



January 4, 2017

City of Peoria  
Materials Management  
9875 N. 85<sup>th</sup> Avenue  
Peoria, Arizona 85345

Re: Request for Proposal—Consultant Services for Deferred Compensation Plan  
Solicitation Number P17-0015

Dear Procurement Department:

We appreciate the opportunity to respond to the City's Request for Proposal and we are excited to be in a position to offer our consulting services. We know that with continued hard work and an unwavering commitment to client support, we will be able to provide the level and caliber of service the City and its plan participants deserve.

The Hyas Group was founded in 2008 and currently advises approximately \$19.6 billion in client assets. The Hyas Group has a specific focus on the public sector and the firm benefits from having professionals who have served the public sector 457/401(a)/401(k) plan industry for decades. In fact, one of the key driving factors in the founding of the firm was the desire to produce value by utilizing those years of experience, providing an array of well-executed services that truly fit our clients' needs.

Thank you again for the opportunity. You may direct all inquiries related to this RFP to me at the contact information provided below. We look forward to hearing from you regarding next steps.

Sincerely,

A handwritten signature in black ink, appearing to read "Ned Taylor", written in a cursive style.

Ned Taylor  
Senior Consultant  
p. (971) 634-1498  
email: [ntaylor@hyasgroup.com](mailto:ntaylor@hyasgroup.com)

## SECTION 2



# City of Peoria, Arizona

## Notice of Request for Proposal



Request for Proposal No: **P17-0015** Proposal Due Date: **January 10, 2017**

Materials and/or Services: **CONSULTANT SERVICES FOR DEFERRED COMPENSATION PLAN** Proposal Due Time: **5:00 P.M. AZ Time**

Mailing Address: **City of Peoria, Materials Management  
9875 N. 85<sup>th</sup> Avenue, 2<sup>nd</sup> Floor  
Peoria, AZ 85345** Contact: **Lisa Houg**

Project No: **NA** Phone: **(623) 773-7115**

In accordance with City of Peoria Procurement Code competitive sealed proposals for the material or services specified will be received by the City of Peoria Materials Management at the specified location until the date and time cited above. Proposals shall be in the actual possession of the City of Peoria Materials Management on or prior to the exact date and time indicated above. Late proposals will not be considered, except as provided in the City of Peoria Procurement Code. *Proposals shall be submitted in a sealed envelope with the Request for Proposal number and the offeror's name and address clearly indicated on the front of the envelope.* All proposals shall be completed in ink or typewritten. Offerors are strongly encouraged to carefully read the *entire* Request for Proposal Package.

### OFFER

To the City of Peoria: The undersigned on behalf of the entity, firm, company, partnership, or other legal entity listed below offers on its behalf to the City a proposal that contains all terms, conditions, specifications and amendments in the Notice of Request for Proposal issued by the City. Any exception to the terms contained in the Notice of Request for Proposal must be specifically indicated in writing and are subject to the approval of the City prior to acceptance. The signature below certifies your understanding and compliance with Paragraph 1 of the City of Peoria Standard Terms and Conditions (form COP 202) contained in the Request for Proposal package issued by the City.

For clarification of this offer contact:

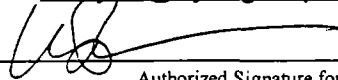
Telephone: 971-634-1498 Fax: 971-275-1856

Name: Ned Taylor, Senior Consultant

Email: ntaylor@hyasgroup.com

Hyas Group

Company Name



Authorized Signature for Offer

108 NW 9th Avenue, Suite #203

Address

Dale Parker

Printed Name

Portland

City

OR

State

97209

Zip Code

COO

Title

### ACCEPTANCE OF OFFER AND CONTRACT AWARD (For City of Peoria Use Only)

Your offer is accepted by the City, subject to approval of each written exception that your proposal contained. The contract consists of the following documents: 1.) Request for Proposal issued by the City; 2.) Your offer in Response to the City's Request for Proposal; 3.) This written acceptance and contract award.

As the contractor, you are now legally bound to sell the materials and/or services listed by the attached award notice, based on the solicitation of proposals, including all terms, conditions, specifications, amendments and your offer as now accepted by the City. The Contractor shall not commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed Purchase Order or written Notice to Proceed.

Attested by:

Rhonda Geriminsky, City Clerk

CC: \_\_\_\_\_

Contract Number: \_\_\_\_\_

**City Seal**  
Copyright 2003 City of Peoria, Arizona

Official File: \_\_\_\_\_

City of Peoria, Arizona.

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

Approved as to form:

Steve Burg, City Attorney

Contract Awarded Date \_\_\_\_\_

Dan Zenko, Materials Manager

## SECTION 3



## **CITY OF PEORIA, ARIZONA**

**Request for Proposal Solicitation Number P17-0015**

Consultant Services for Deferred Compensation Plan

Hyas Group Response - January 10, 2017

### **1. METHOD OF APPROACH TO ACCOMPLISH THE SCOPE OF WORK**

- **Provide a detailed description of your firm's key strengths and overall method of approach to providing Deferred Compensation Plan Consulting Services**

#### **Firm Overview**

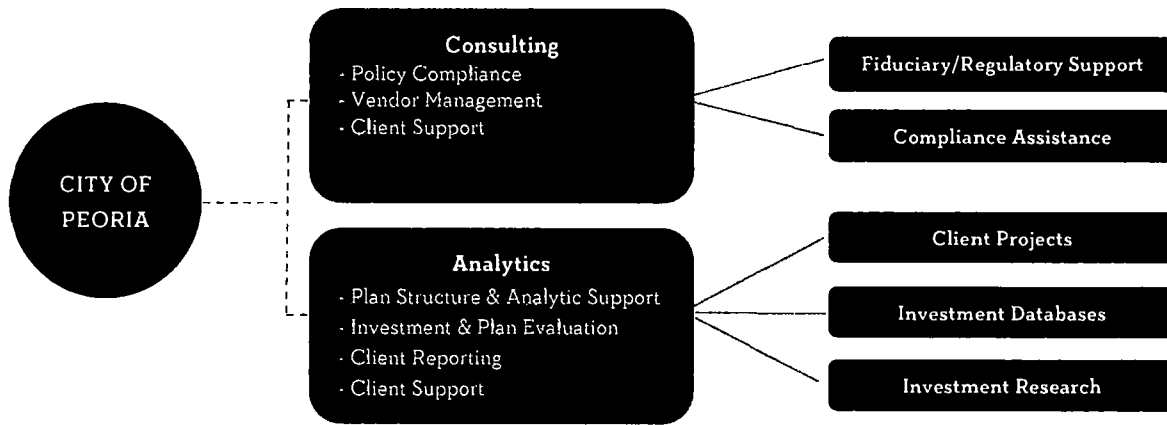
The Hyas Group is an independent institutional retirement plan consulting firm based in Portland, Oregon that provides services to defined contribution retirement plan clients with a focus on governmental 457(b) plans offered by cities, counties, and special districts.

The Hyas Group was formed in 2008 and has a specific and dedicated focus on governmental plan sponsors. The firm benefits from having professionals who have served public sector clients for decades. The vast majority of Hyas Group employees have worked together previously for up to a decade, so the relationships extend beyond the formation of the firm. In fact, one of the key driving factors in the founding of the firm was the desire to produce value by utilizing those years of experience, providing an array of fiduciary best practices and well-executed services that truly fit our governmental clients' needs. Those services include governance document support, fiduciary education, investment consulting, and building the most appropriate investment option menu, fee benchmarking, participant education, and vendor management.

The Hyas Group is a leader in the public sector retirement plan consulting. The services requested by the City are the services we provide to nearly all our 457 deferred compensation plan clients. We provide similar consulting services to 97 clients and the firm represents approximately \$19.6 billion in total client assets under advisement.

The Hyas Group has a demonstrated expertise in providing services to governmental clients and will be able to work well as the investment consultant for the City's Plan. We are experts at understanding and implementing the requirements of operating in a public sector environment and this allows us to provide advice to the Board/Committee in an appropriate and judicious manner. Ultimately, our broad governmental and corporate client expertise, combined with our experience in working with a wide range of client sizes, would match very well with the requested scope of services.

The overall organizational structure is summarized as follows:



### Hyas Group Client List

#### Alaska

Alaska Railroad Corporation  
City and Borough of Juneau

#### Arizona

City of Glendale  
City of Phoenix  
City of Tucson

#### California

Adobe Systems, Inc.  
Cadence Design Systems, Inc.  
City of Buena Park  
City of Burbank  
City of Elk Grove  
City of Galt  
City of Long Beach  
City of Oakland  
City of Pasadena  
City of Pittsburg  
City of Santa Monica  
City of Whittier  
East Bay Municipal Utility District  
Eastern Municipal Water District  
Intuit Corporation  
Irvine Ranch and Water District  
Marin County District  
Metropolitan Water District  
Napa County  
Oakland Police Officers Association  
Orange County Fire Authority  
Peet's Coffee & Tea  
San Diego Water District  
San Joaquin County  
Santa Clara Valley Transit  
Santa Cruz County  
Solano County  
Sonoma County  
Stanislaus County

Symantec Corporation  
Synopsys Corporation  
Veritas Technologies  
Yolo County  
Yuba City

#### Kansas

City of Wichita  
Sedgwick County

#### New York

Erie County

#### Oregon

Bonneville Power Administration  
Central Lincoln PUD  
City of Corvallis  
City of Eugene  
City of Portland  
City of Milwaukie  
Clackamas Fire District #1  
Clean Water Services  
East Oregonian Publishing  
InFocus Corporation  
Lane Council of Governments  
Lane County  
Lattice Semiconductor  
McMinnville Power & Light  
Mercy Corps  
Metro Oregon  
Roundhouse Agency  
SAIF Corporation  
Tonkon Torp LLP  
Tri-Met  
Trillium Family Services  
Umpqua Holdings Corp.  
Urban Airship  
Washington County  
Wieden + Kennedy

#### Texas

City of Arlington  
City of Carrollton

#### Virginia

Richmond Retirement System

#### Washington

Benton County PUD  
City of Kent  
City of Renton  
City of Richland  
City of Richland Fire  
City of Shoreline  
City of Spokane  
City of Tacoma  
Clark County  
Clark County PUD  
Everett School District  
Franklin PUD  
Grays Harbor PUD  
HRA VEBA Trust  
King County  
Mason PUD  
Pierce County  
Port of Seattle  
Port of Tacoma  
Snohomish County PUD  
Sound Transit  
Spokane Employees' Retirement  
Spokane Fire Pension  
VEBA Trust

List includes project and retainer clients. It is not known whether any of the above clients approve or disapprove of the services provided by the Hyas Group.

## **Our Method and Approach**

The City's stated goals and objectives and our approach to meeting them are as follows:

### **A. CONSULTING SERVICES**

#### **Committee Assistance, Legislative Updates, and Ongoing Training**

We understand that Committees hire us for many reasons. One of those reasons is for the support we offer the Committee and staff. Client service and satisfaction are of utmost importance to us and we are the only firm we know of that offers service guarantees with dollars at risk. Exceeding your expectations at every interaction, recommendation, and project is our goal and we have been successful maintaining a very high level of client service with each of our clients. Below are the key aspects of our approach to Committee support and client service:

- Assist Committee in meeting fiduciary responsibility requirements
- Provide targeted, on-site education sessions on topical investment issues
- Communicate important legal and regulatory changes and trends

In addition to our role as an industry thought leader, we also receive frequent communications from regulatory bodies and well-known retirement plan law firms related to the ever-changing retirement plan legal and regulatory landscape in order to maintain our knowledge base. We also work alongside legal counsel to assist with communicating regulatory changes. The Hyas Group receives daily communications feeds from financial news wires, provider consultant relations departments, and industry news subscriptions. Specific to the public sector, we are also long-time active members and supporters of the National Association of Government Defined Contribution Administrators (NAGDCA). It is the responsibility of the consultant to read and disseminate all relevant information, and to work with legal counsel to communicate it to our clients in a clear and concise manner. To apply these developments to the City's Plan, we also provide a legal and regulatory update as a part of every Board meeting agenda. Topics that we have recently addressed with our clients include: Roth 457, DOL regulations for default funds, automatic enrollment, target-date fund communications, retirement income solutions, ERISA fee disclosures, and retirement plan lawsuits. Finally, we provide a succinct quarterly newsletter, *The 457 Plan Fiduciary Advisor*, which includes relevant industry and legal information that our governmental clients use to stay abreast of current plan-related topics.

A sample copy of *The 457 Plan Fiduciary Advisor* is included in Section 7.

Fiduciary education, Committee assistance, and legislative updates are services provided to all of our clients at no additional cost.

#### **Plan Design and Benchmarking**

Our evaluation services are comprehensive and our defined contribution plan review process is structured to provide the City with the data, analysis and recommendations it will need to assure the retirement plan is operating in compliance with necessary regulations and best fiduciary practices. We will begin our relationship with the City by conducting a formal review of the Plan's investment structure, plan administration, existing vendor contracts, plan design, participant education materials, governance documents, investment options, fees, and overall structure of the Plan. Both participant and plan sponsor services will be reviewed. Trends in the industry, fiduciary best practices, and state of the art services and products will be discussed. In our initial meeting with the Committee, we will formally identify goals and objectives of the Committee as well as any strengths—or even weaknesses—of the Plan. We will establish or clarify the processes and structure, and we will assist the Committee by marshalling

through any necessary adjustments. As an example of how we would approach investment design, we believe that the ideal investment structures for the Plan are the ones that optimize the intersections of your culture, governance budget and participant behavior. Given that each deferred compensation plan consists of as many portfolios as there are participants and because each participant is unique, it is incumbent on the City, in consultation with the Hyas Group, to vet these factors and how they apply to your Plan. Both organizational culture and participant behavior can be analyzed for the Plan as well as the skill, resources, and time spent on governing the Plan.

We will evaluate:

- Simplified participant decision-making;
- Asset allocation strategy appropriate for participants;
- Lowest cost share classes;
- Balance of passive and active choices; and
- Linkage among plan governance budget, participant investment knowledge and investment complexity.

The Hyas Group—with a heavy focus on your Investment Policy Statement—will analyze both quantitative and qualitative aspects funds within your line-up. In our quantitative review, we will measure managers over multiple time periods versus appropriate asset class benchmarks, style benchmarks, and relative peer universes. Additionally, we will compare risk and statistics such as standard deviation, alpha, beta and up/down market capture. All of these tools, when taken in concert with an assessment of underlying securities holdings and sector allocations, allow us to feel confident in the total evaluation of the products in which your participants are invested.

### **Stable Value**

The Hyas Group has in-depth experience helping clients construct, monitor and report on fixed/stable value fund portfolios. The recent challenges facing the stable value industry have highlighted the value of this focus. Stable value, general accounts and money market products, often overlooked in the past, are a primary component in all of our client portfolios and often make up a large portion of the Plan's allocation. Therefore, it is necessary to provide this asset class an appropriate amount of attention. In order to maximize returns and minimize risk, the very nature of these investment products requires that we have a thorough understanding of client objectives, risk tolerances and liquidity considerations. We assist our clients in understanding the risk and reward trade-offs of the various fixed fund sectors, as well as the strategies that will help meet overall plan objectives.

Fee negotiation is another critical aspect that is often overlooked in the fixed/stable value fund manager evaluation process. Conservative fixed income portfolios generally offer a single digit return, consistent with overall risk. High fees could consume a large part of the overall investment return. It is therefore critical that all fees are properly negotiated. We will make sure that all fees are reasonable and that they are reviewed on a regular basis.

Additionally, the Hyas Group has created a custom Stable Value peer universe in which to rank our clients' stable value against on a gross-of-fees basis. This universe is robust and allows for the ranking of custom separate accounts.

### **Fiduciary Training**

The Hyas Group believes that providing high-quality, easily understandable training and education of fiduciary committees is critical to the success of both the committee and our firm. We have developed – and are continually refining – a curriculum of three core seminars that we provide to the committees that we serve, as well as many special focus seminars that have been developed to meet the changing needs of the industry. The core seminars include:

- *Fiduciary Fundamentals for Governmental Defined Contribution Plan Committees*
- *Modern Defined Contribution Plan Features, Services, Design, Investments and Regulation*
- *Investments for Retirement Plan Fiduciaries*

A sample education session can be found in Section 8.

## **B. CONTRACT ADMINISTRATIVE SERVICES**

### **Enrollment and Communication**

As a dedicated retirement plan partner, we also assist boards and committees with employee communications. From in-depth participant surveys to fund change communications to fund fact sheets, the senior consultants at the Hyas Group have offered their creative services to our client committees.

### **Participant Education**

The professionals at the Hyas Group have a great deal of experience in designing and implementing educational programs for the participants of defined contribution retirement plans. We consider education evaluation and design work to be a main component of our mission, as it is critical to the creation of positive outcomes for plan participants. Effectively communicating investment principles, plan features, changes, and other aspects of the Plan is crucial in order for each participant to properly utilize the program and maximize their retirement benefit. Ned has direct participant education presentation experience and working with individual investors that spans nearly two decades. He would provide any needed training assistance to strengthen the delivery of any communications and message of the Plan. As part of the ongoing analysis, training and support, all methods of communication would be discussed and reviewed. This would include in electronic format, print delivery, and both in-person group or individual meetings. The following tasks would be considered as part of our consulting relationship:

- Assess Plan objectives and committee education goals
- Review ICMA-RC's and Nationwide's contractual service delivery models as agreed and compare with what services were actually delivered and analyze results from those communications to maximize results
- Provide information on investment strategies
- Analyze what is communicated and how is it communicated (method and manner)
- Evaluate all processes and procedures around employee (participants as well as non-participants) communication methods (electronic format, print delivery, and both in person group or individual meetings)
- Present a regular update on the Employee Retirement Income Security Act of 1974 (ERISA) and U.S. Department of Labor (DOL) requirements and best practices around plan communications

As a dedicated retirement plan partner, we also partner with our clients to create employee communications. From in-depth participant surveys to fund change communications to fund fact sheets, the senior consultants at the Hyas Group have offered their creative services to our client committees. We have also attended benefits fairs organized by our clients. Lastly, we will work with ICMA-RC and Nationwide and their communication teams to make sure all participant messaging is targeted and effective.

## **C. INVESTMENT POLICY AND FUND SEARCHES**

### **Investment Policy Review**

We will work closely with the City in creating, reviewing, and/or updating any and all relevant governance documents (Plan Document(s), the Committee Charter, the Investment Policy Statement

(IPS), and a Fee Policy). We will then work with the City to ensure that proper governance documents are maintained. Many of our clients have adopted formal separate policies concerning fees and revenue share in the past few years and we can be of assistance to the City and its Committee if this is of interest. The IPS should provide the formal guidelines for the Committee, consultant, and investment manager relationships. Every IPS should include the following components:

- I) **Statement of Purpose** – why does the policy exist?
- II) **Summary of the Plan Objectives** – what is the Plan and why does it exist?
- III) **Statement of Responsibilities** – who is responsible for administering the Plan and carrying out the policies?
- IV) **Statement of Process** – how are funds evaluated for selection and retention? How are decisions related to funds made and what are the steps taken when changes are required? What are the risk management guidelines and the diversification guidelines? How and why are funds placed on a “watch list” and what happens once they are?
- V) **Description of the Available Asset Classes and Categories** – what are the available asset classes and what are their benchmarks and structural requirements?
- VI) **Section for Formal Adoption and Signatures**

The IPS should be reviewed frequently and formally addressed at least once per calendar year. We have an internal calendar or checklist and the Hyas Group, through your lead consultant, will be responsible for making sure the IPS is reviewed. We will ensure that any fund changes are properly reflected in the existing IPS. Reviews and potential alterations of the policy may also stem from plan-specific events such as adding a new asset class, or from regulatory events. Recently, for example, we have made modifications to policies stemming from the Department of Labor’s guidance on how to evaluate target date funds. If necessary, we will work with the Committee to amend or restructure the IPS to properly conform to any new plan and/or vendor specifications. The IPS should be written to assure that the Committee can easily follow the guidelines and determine which actions to take in the event there are any policy violations. Below are the key aspects of the IPS review and maintenance:

- Confirm investment criteria, goals and objectives
- Review investment guidelines
- Establish investment performance review and evaluation criteria
- Assist the Committee in adherence to policy
- Provide recommendations for course of action to address policy concerns

In addition, we will establish and/or clarify the review process and monitoring structure and we will assist the Committee through any necessary adjustments.

#### **Approach and Criteria for Investment Manager Evaluation**

The Hyas Group analyzes both quantitative and qualitative criteria for all funded and prospective investment products. In our quantitative review we measure manager performance over multiple time periods versus appropriate asset class benchmarks, style benchmarks, and relevant peer universes. Additionally, we compare risk and value-add statistics such as standard deviation, alpha, beta, and up/down market capture. All of these tools, when used in concert with an assessment of underlying security holdings and sector allocations, provide for a comprehensive, total evaluation of the products in which our clients invest. We also believe it is prudent to provide qualitative assessments of the investment products we recommend to our clients. It is therefore necessary to meet with investment managers face-to-face and to conduct regular conference calls with investment staff. Much of the qualitative information is gathered after direct contact with the individuals responsible for managing and servicing the specific investment vehicles we are evaluating. We feel strongly that active investment

performance is driven by skilled people and, therefore, it is imperative that we have a firm grasp on the skill sets offered by different managers.

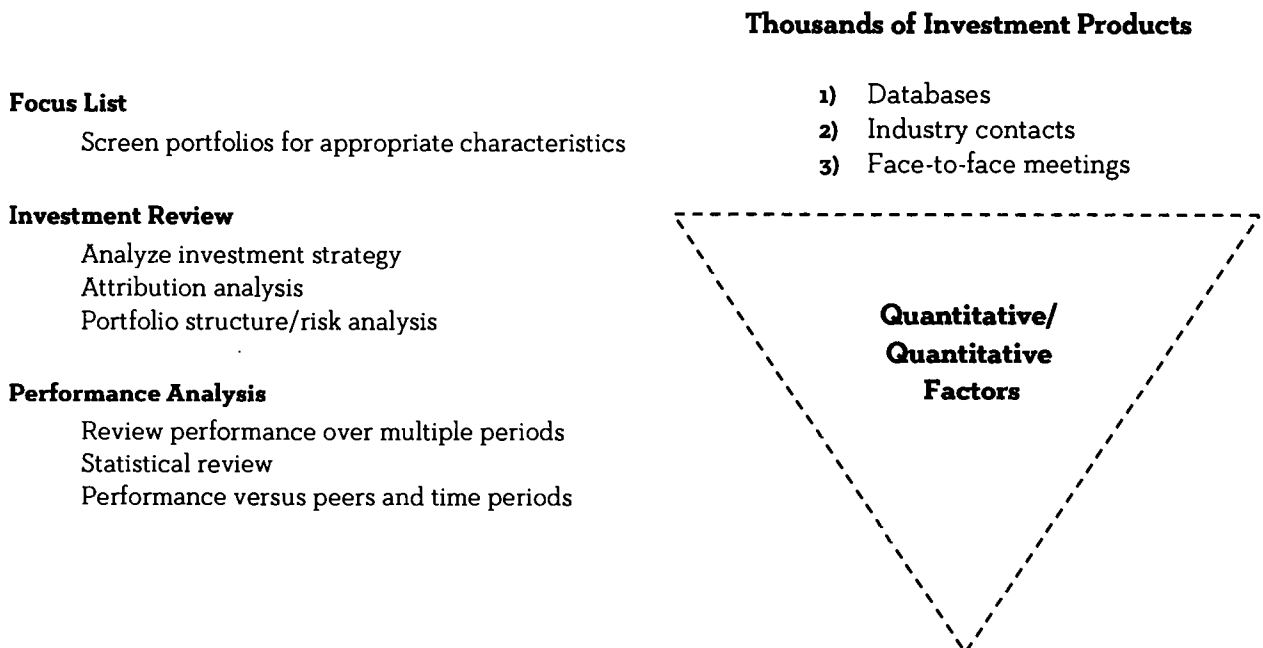
On the qualitative side we analyze the investment managers' philosophy, process, and personnel. We are ultimately looking to assess the consistency of the investment process and the cohesion of overall investment philosophy with the client's goals and objectives. Philosophy and process are inherently driven by a consistency of personnel, so we will also evaluate the tenure of each of the key management personnel to determine that any investment track record can be attributed to the team that is currently in place.

In addition to the information we receive from our databases and industry groups, we think it is also important to maintain relationships with investment managers and the investment community at large. We have established contacts with the vast majority of financial services companies that are active in the foundation, benefit, and defined contribution plan areas.

We generally meet in person with two to three investment management firms per week. We maintain our own, internal repository with notes and analysis from any such meetings or conference calls. Client-funded investment products are discussed with representatives from the respective investment management firms on a semi-annual basis.

The graphic below illustrates the process we employ for making recommendations about a specific manager or group of managers to be used in a manager search.

## MANAGER EVALUATION SCREENING PROCESS

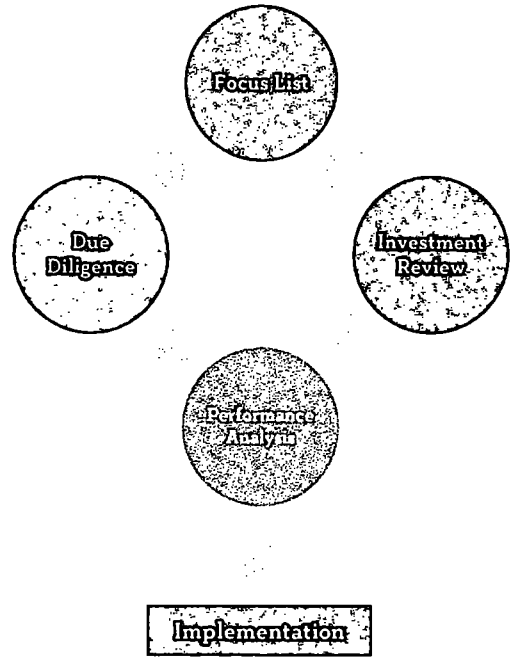


**Due-Diligence**

- Correspond with investment manager, analysts and/or other key personnel to verify data
- Understand ownership stake, hierarchy and pay structures
- Ascertain key traits to their success
- Costs

**Implementation**

- Plan agreements
- Fee review
- Communication



## Universe Data

The Hyas Group subscribes to the several investment vehicle databases further described below:

- **Morningstar Direct** – provides extensive mutual fund, collective trust, and separate account data including peer group, performance, and holdings information
- **Institutional data-base subscriptions** – Barclays Capital, Standard & Poor's, Russell, and MSCI/Barra all provide data for the compilation of our reports
- **InvestorForce** – leading edge reporting tool used by a number of large investment consulting firms

Morningstar Direct contains data on over 250,000 investment products and mutual fund and collective investment trust return data is updated daily. The Hyas Group also maintains and analyzes a number of style groups for comparative purposes. Style groups are derived by evaluating each fund's portfolio characteristics such as price to book, price to earnings, and dividend yield as well as sector weighting. Each determination is confirmed by a quantitative style analysis conducted through the Morningstar Direct platform. This analysis combines a returns-based and a holdings-based review of every fund in the database.

Our primary research efforts are led by professional staff members Brian Loescher, CFA and director of research, Tom Breaden, CFA, senior research analyst, and Matt MacDonald, CFA, senior analyst, each of whom are dedicated to the investment research process. The dedicated research team is supported by Dale Parker, chief operating officer and director of analytical services, who also conducts research on investment managers and recordkeepers' investment platforms. Brian is responsible for leading the firm's investment research efforts and marshalling resources to effectively analyze current and prospective client investment options. Additional responsibilities include asset allocation modeling, manager contract evaluation, as well as general investment research and due diligence.

The investment manager research process at the Hyas Group is constant and consistent. Our team reviews mutual funds and other investment vehicles on a daily basis. We rely on a number of databases to house our investment return data as well as attribution systems. The databases include mutual funds, commingled funds, insurance products, and separate accounts as well as alternative products such as hedge funds.

Expert advice and comprehensive consulting services, however, are only as good as the research that supports them. Our advice is backed by diligent research and painstaking attention to detail. Face-to-face meetings with industry and investment experts, thorough review of research reports, attendance at relevant industry conferences and a command of today's market trends all factor into our analysis of the important issues facing our retirement plan clients.

If the Plan needs to replace or otherwise add an investment option, we can assist with the following tasks:

### Investment Manager Searches

- Initiate comprehensive data collection and review
- Define appropriate screening criteria
- Assess performance and tracking error
- Provide risk and return analysis
- Identify suitable investment manager candidates
- Present results to the Committee and offer recommendation(s)

### Investment Option Transition Services

- Review timing and implementation of fund change
- Assist in platform and fee negotiations
- Facilitate necessary agreements between fund company, recordkeeper and/or custodian
- Invest in the most appropriate share class available given expense, revenue share and any investment minimums

### Managers On Watch

Each quarter or month, depending on the client's needs, we review all managers utilized in the account compared to the various Investment Policy criteria. We provide a simple summary to help fiduciaries focus on the important issues. Managers that fail to meet Investment Policy requirements are formally reviewed to determine if they should be placed on watch, and maintained or terminated. We also advise clients of any significant developments with managers, along with our opinion and recommendation on the development, as they occur.

Whatever action we conclude is necessary for a particular manager, the Hyas Group will plainly state when and why we think a manager should be terminated, and why a certain manager should be hired, without hesitation and with thorough documentation of the reasons behind the recommendation. That said, it should be noted that our experience has been that patience and gaining a full understanding of the reasons behind underperformance are required in order to make a good decision.

### Factors that would lead to manager termination would likely include a combination of the following:

- Sustained underperformance to Investment Policy standards, without demonstrated reasons to believe that a return to a policy meeting performance level is likely.
- Changes in fund management personnel that result in a lack of confidence by our staff in the persons who have assumed responsibility for management of the fund.
- Changes in the management firm's ownership or stated business objectives that indicate that past key components of the firm's success are no longer intact.
- Evidence of malfeasance or gross violations of law and/or regulatory rules.
- Evidence of a departure from the firm's stated process, policies, procedures and beliefs in the actual management of the fund

The Investment Policy Statement that the Hyas Group develops for each client account provides guidance as to when an investment manager will be placed on watch status and what steps will be taken once a manager has been placed on watch. Generally, all managers are expected to remain true to their stated investment objectives and to perform as well as or better than their prescribed performance benchmarks, net of fees. Periodic underperformance in any of the criteria outlined in the Investment Policy will not necessitate the termination of an option; however, any underperformance will result in formal consideration of the factors causing underperformance and direction as to the possible courses of action that the Committee may take. Ultimately, a manager may be placed on a watch status if it is viewed as having a pattern of under-performance or if it has violated other quantitative or qualitative criteria. Some examples of quantitative and qualitative reasons an investment option might be placed on a watch status, include but are not limited to, the following:

#### **Quantitative Measures**

##### Actively Managed Options

- Performance below the prescribed benchmark index over a trailing five year period, combined with;
- Performance below the median of its peer group over a trailing five year period

##### Passively Managed Options

- Net of fee performance tracking error relative to the respective index that is greater than 15 basis points

**Qualitative Measures**

- Management team or other significant personnel turnover;
- Changes in the product's investment philosophy, process, style or risk profile;
- Excessive or rapid asset growth or decline;
- Pending regulatory investigations or material legal proceedings;
- Changes to firm ownership;
- Significant increase in management fees or expense ratio.

**D. INVESTMENT REVIEW SERVICES**

**Performance Reporting**

When the firm's founders created the Hyas Group, a key goal was to develop performance reports that provide vital, concise, and clear information for plan fiduciaries in an easy-to-use format. Additionally, each report contains certain unique elements that we believe set us apart in the consulting industry. Hyas Group reports include the following:

- An executive summary that highlights key financial market measures, plan utilization, investment policy compliance, investment manager or regulatory developments and recommendations.
- A financial market overview, which provides key national and international financial market information to provide context for the performance of the plan investments.
- Plan investment allocation information, showing current and historical allocations among the plan assets, and trends in the growth or decline of assets in the various categories.
- A comparison of the plan performance to various types of portfolios, which helps to evaluate the effectiveness of the plan's overall portfolio relative to these benchmarks.
- Performance of each manager in the plan relative to the peer group and benchmark index that are found in the plan's Investment Policy Statement (IPS), along with clear indications when a manager is not meeting the performance criteria set forth in the IPS. When appropriate, an additional alternative benchmark index is also included for discussion and comparison.
- In addition to the performance benchmark comparison, the Hyas Group identifies whether the manager in question is out of compliance with IPS stated objectives for qualitative reasons such as style consistency, expense ratios, organizational change and manager tenure.
- A plan fee and revenue analysis, which accounts for all of the fee dollars paid by participants and all of the revenue received by the recordkeeper from investment providers, including any self-directed brokerage option.
- Additional, detailed investment portfolio style, risk and performance attribution information is provided in the form of fund data pages for each manager.

The Hyas Group also provides unique ongoing fee and cost analysis as well as quarterly revenue reconciliation for our defined contribution retirement plan clients. Clients receive a full accounting of all the costs associated with the plans and an evaluation of how those costs compare to industry averages. Our revenue reconciliation report is provided to evaluate the amounts of revenue collected by all service providers to the plan.

Our full performance report is prepared quarterly and is supplemented by an abbreviated summary report on a monthly basis, which is customized to the client's specific needs. Electronic and hard copy

reports can be provided well in advance of any meetings; quarterly or otherwise (for example, one week ahead of meeting date).

We meet with most clients at least four times a year to present their quarterly plan performance report in person. However, it is not uncommon for us to attend other interim meetings as requested (there is no additional fee for this service).

A sample performance report can be found in Section 9.

## **E. RFP DEVELOPMENT PROCESS AND CONTRACT NEGOTIATIONS**

Should the City engage in a third party recordkeeper RFP at some point in the future, the Hyas Group is an industry leader when it comes to conducting recordkeeping RFPs and vendor evaluation projects. The Hyas Group has conducted, on average, one vendor search per month since the firm's inception, making the firm one of the most prolific for these types of projects. Projects have been completed for plans that range in size from \$1 million to nearly \$2 billion in total assets.

Our third party administrative and recordkeeper RFP services are designed to be comprehensive. While cooperation and coordination are essential to the success of the project, the burden of administering the RFP should fall largely on Hyas Group as the consultant. We aim to construct, complete and coordinate the vast majority of the project tasks on your behalf.

We also understand that any successful partnership requires a mutual understanding of the approach to completing the specific goals. The Hyas Group is committed to supporting the City and its Committee in fulfilling all of their duties to the Plan and participants. Our consulting team has conducted over three dozen provider RFP projects in the past three years, and the team is well-versed in the importance of proper, clear communications to plan sponsors and participants. Our plan review and RFP process is structured to provide the data, analysis and recommendations the Committee will need to make vendor selections and to assure your Plan is operating in compliance and maximizing value for the participants.

Our approach to the RFP project begins with a meeting with your procurement department so we can understand any purchasing rules. We will also evaluate the current provider contracts with an eye towards determining specific termination notification provisions and any liquidity or penalty provisions on investment products. The next phase is finalizing goals and objectives with the Board members, after which we will begin the process of drafting an RFP document and identifying candidates that best meet those goals and objectives.

The resources we use to generate and review questions include our proprietary questionnaire and response data containing answers to over 150 questions from all of the leading 457 plan providers. We will also add questions as necessary to solicit information on features or objectives that are unique to the City. We are in the vendor marketplace approximately every 45 days with a search or review. Our data is therefore always very timely and relevant to the City's needs.

The RFP document seeks to capture information about each vendor candidate (including the incumbents, ICMA-RC and Nationwide) in the following categories:

- Firm strength, experience and qualifications
- Participant education, communications, counseling and investment advice services
- Recordkeeping systems technology
- Plan sponsor services
- Investment offerings and platform flexibility
- Plan transition services

- Fees and expenses

After all vendor response submissions have been received, the Hyas Group will begin reviewing each submission and compiling the formal RFP analysis summary report with an executive summary. Consistent with the City's established evaluation criteria, this report will provide necessary information for making an informed shortlist selection of finalists. In this document, we summarize each vendor's response to each information request. The provider responses are positioned side-by-side in tabular format to allow for ease of comparison. The RFP analysis report also contains a detailed executive summary that provides commentary on the differences among the prospective vendor responses and how the proposed services are different and/or enhancements when compared to the current structure. The summary contains graphical and tabular comparisons for certain sections of the report (such as Fee and Expense and Investment Offerings) as well as Hyas Group commentary and opinions.

Further, we have always maintained an intense focus on developing efficient fee and revenue sharing monitoring processes. We use the information gained through our extensive RFP work to track and monitor industry pricing trends. This allows us to remain current when negotiating the City's vendor contract.

In summary form, the primary action items and components of the RFP project are outlined as follows:

#### **PHASE 1 - RFP PROJECT INITIATION**

##### **1) Initial planning and needs assessment**

- Coordinate with the City's Procurement Department
- Consult with the City on its vision for the future and discuss innovative industry practices and trends in participant services, communications, administration, reporting, compliance, investment integration and technology
- Establish basis for assessing employee needs and satisfaction regarding programs
- Identify operational, legal and strategic requirements
- Discuss and finalize strategic goals and objectives
- Confirm formal timeline
- Identify roles and responsibilities for vendor search project and transition plan

##### **2) Data gathering and program analysis of present and forthcoming plan structure**

- Draft existing vendor data request and send to appropriate contacts at incumbent providers (ICMA-RC and Nationwide)
- Collect and refine data

#### **PHASE 2 - RFP PREPARATION, RELEASE AND ANALYSIS**

##### **3) RFP preparation and release**

- Draft RFP to the City's specifications
- Vet RFP draft with the City's sub-committee/staff as appropriate
- Finalize RFP
- Establish qualifications for potential vendor distribution based on the City's criteria
- Release RFP to qualified vendor community; assist in advertising the RFP per procurement process
- Collect and answer vendor questions regarding the RFP

##### **4) RFP response analysis**

- Collect all RFP responses and related materials
- Organize information and begin RFP analysis
- Confirm open issues with respondents

- Prepare Executive Summary
- Send draft RFP analysis to the City
- Finalize RFP analysis report
- Meet with the City to review analysis and make recommendations regarding vendor interview candidates

**5) Provider interview sessions and final selection**

- Notify and schedule selected vendors of interview requirements and evaluation criteria
- Provide the City with interview format and evaluation criteria
- Facilitate interview sessions by tracking time and providing instructions to all parties
- Provide recommendations and post interview analysis
- Compile notes and feedback from any site visits; produce final report
- Assist in arriving at final vendor decision

**PHASE 3 - IMPLEMENTATION**

**6) Final negotiations and contract preparation**

- Contact vendor(s) to finalize any interview and/or offer specifics
- Notify successful provider of the City's intent to award contract
- Negotiate contract language
- Assist in ongoing contract and document review

**7) Transition planning and assistance**

**F. POST-SELECTION CONTRACTOR TRANSITION SERVICES**

We will assist with the following services if the present providers are not retained:

- Coordinate and attend introductory meeting with new TPA firm
- Complete contract negotiation and adoption paperwork as needed
- Review and assist with development of implementation plan
- Review and assist with development of communication plan
- Monitor and review asset and record transition
- Lead debrief discussion with the Committee following transition

**G. ADDITIONAL SERVICES**

The Hyas group will provide any additional services on an as-needed basis as part of our service model.

- **Discuss other issues that may not have been identified in the Scope of Work, but that may be of relevance and importance based upon your firm's experience in providing similar services.**

**Compliance Review**

As part of our proposed consulting services, the Hyas Group assists fiduciary committees with the oversight of the whole Plan, not just the investments and fees. We are very experienced and focused on plan design, and will assist the Committee with the evolution of the Plan's package of participant services and features. To that end, the Hyas Group provides its clients with a comprehensive compliance review. This review serves the purpose of assessing general fiduciary and regulatory requirements. We also assist with constructing a compliance checklist for easy reference when required.

To maintain our knowledge base, we receive frequent communications from regulatory bodies and well-known retirement plan law firms related to the ever-changing retirement plan legal landscape. We also

work alongside legal counsel to assist with communicating regulatory changes. The Hyas Group receives daily communications feeds from financial news wires, provider consultant relations departments, and industry news subscriptions.

It is the responsibility of the consultant to read and disseminate all relevant information and to work with legal counsel to communicate to clients in a clear and concise manner. To apply these developments to the City's Plan, we also provide a legal and regulatory update as a part of every Committee meeting agenda. Topics that we have recently addressed with our clients include: DOL regulations for the definition of a fiduciary, Qualified Longevity Annuity Contracts, target-date fund communications, and ERISA fee disclosures and lawsuits.

### **Target Date Strategies**

Our review of Target Date strategies addresses a variety of features while seeking to satisfy the recommendations put forth by the Department of Labor in 2013. In particular, we will review the aggregated asset allocation and equity glide path, then will move to a detailed analysis of the equity portion (analysis of sectors, regional allocations, and investment style) and fixed income portion (analysis of interest rate sensitivity, credit quality, and sector allocations). This review provides an understanding of a strategy's composition and the investment philosophy it reflects. We believe that this process also allows our clients to generate a sense of what risk and return characteristics to expect from a given target date strategy, which allows them to conclude if the suite is appropriate for their participant demographics.

We will rank the performance of a target date suite against its peers, which is indicative of its investment quality. Our database access allows us to rank virtually any mutual fund or collective trust against its peers. However, our primary focus, which we believe to be consistent with the Department of Labor's intentions, is to make sure we thoroughly identify and review products to make sure they are appropriate to our specific clients.

### **Annuities**

The Hyas Group has performed extensive research on the structural and investment merits of variable and fixed annuities, beyond what is generally viewed as adequate to satisfy the "Prudent Process" stated in ERISA 2550.404a-1. Our analysis consists of a review of an annuity's structural components (the underlying investments, investment management and guarantor fees, guaranteed withdrawal rates and policies, portability, and the credit quality of the guarantor and applicable state) as well a review of the value that the annuity might provide as an investment.

In analyzing investment merits, we divide annuities into two categories: variable and fixed. In the case of variable annuities (whose payouts depend on the value of an underlying market portfolio), we calculate how much the annuity would have paid out over time based on its fees, asset allocation, payout ratio, the annuitant's life expectancy, and prevailing market conditions. In the case of fixed annuities, we calculate what internal rate of return the product would have generated and calculate that to prevailing rates on investment-grade bonds.

Our view is that the annuity universe, as it applies to defined contribution plans, is fairly small, which limits the applicability of peer group rankings. However, we believe that the process we undergo to analyze annuity products has allowed us to make well-vetted and contextualized recommendations to our clients.

## 2. FIRM EXPERIENCE & STAFF QUALIFICATIONS

- **Include a listing of Arizona cities your firm has served during the past three (3) years and the level of involvement and consulting services you have provided. Include example of value-added services provided.**

The Arizona cities our firm works with include:

- City of Phoenix – we have developed and maintained ongoing fiduciary oversight processes; we provide ongoing investment due-diligence, Plan and Committee consulting, fee analysis, benchmarking, manager searches, communication reviews, develop and maintain Plan administration budget, contract negotiations and vendor management, and special projects such as investment structure reform.
- City of Glendale – we were recently hired by the City to provide ongoing retainer services including: investment performance evaluation, monitoring, and reporting; investment manager search and selection; ongoing program analysis and evaluation; Investment Policy Statement review and ongoing compliance; annual recordkeeping and investment fee review; and benchmarking and fee comparison. Should the City decide to conduct a Third Party Administrator RFP, we will facilitate this process on the Committee's behalf.
- City of Tucson – we worked with the City to evaluate the merits of the proposed fee and revenue structure under a renewed contract term with the City's current service provider, ICMA-RC. Additionally, the Hyas Group was engaged to review and reconcile the fee and revenue calculations under the current services contract.

### **Value Added Services**

The Hyas Group is a unique consulting firm—we were independently formed to focus our expertise and efforts on delivering innovative solutions to institutional retirement plan sponsors and to drive meaningful participant outcomes by building effective retirement plans for our governmental clientele.

### **Focus**

The Hyas Group is a specialized retirement plan consulting firm and institutional consulting is our only business. We serve more than 90 clients today, including cities similar in size to the City of Peoria. Our public sector 457 deferred compensation clientele list is robust and the same services requested by the City are provided to all our clients.

### **Innovative approach**

Our experience sets us apart from competitors. This experience has resulted in the construction of retirement plans that have been recognized as a leader, while providing fiduciary guidance to our clients and their participants. As further validation of our approach, a renowned financial author, William Bernstein, cited at a financial literacy conference that one of our clients, Tri-Met, had the best plan he has ever seen. We have attached this article in Section 10.

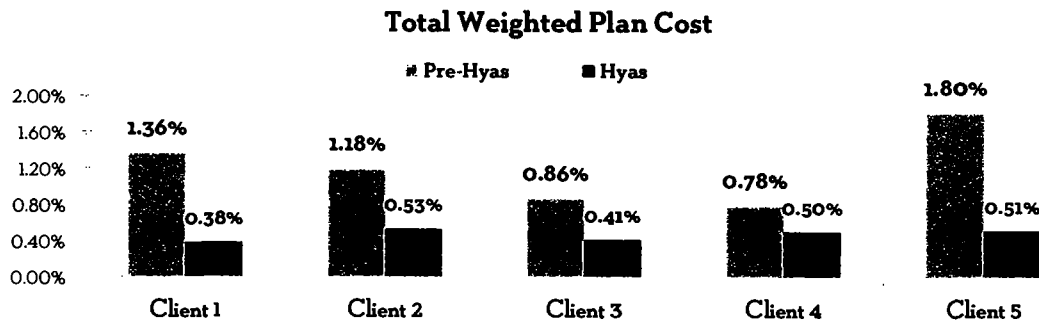
### **Proactive advice**

As a fiduciary, we are charged with understanding many facets of your retirement plan including structure, governance, cost, education, and investments. One of the main reasons clients hire the Hyas Group and its experienced professionals is for our recommendations and financial advice. We advise plans on investments, plan design, regulatory compliance, participant communications, and various

types of provider and manager contracts. Not only will we provide specific committee investment advice, we will contractually agree to be a co-fiduciary with regards to that advice.

**Quantifiable results**

We have been a market leader in developing cost-efficient plans for our clients, due in large part to our effective vendor knowledge and negotiation skills. The chart below shows examples of total weighted plan fees (investment and administration) prior to and after hiring the Hyas Group:

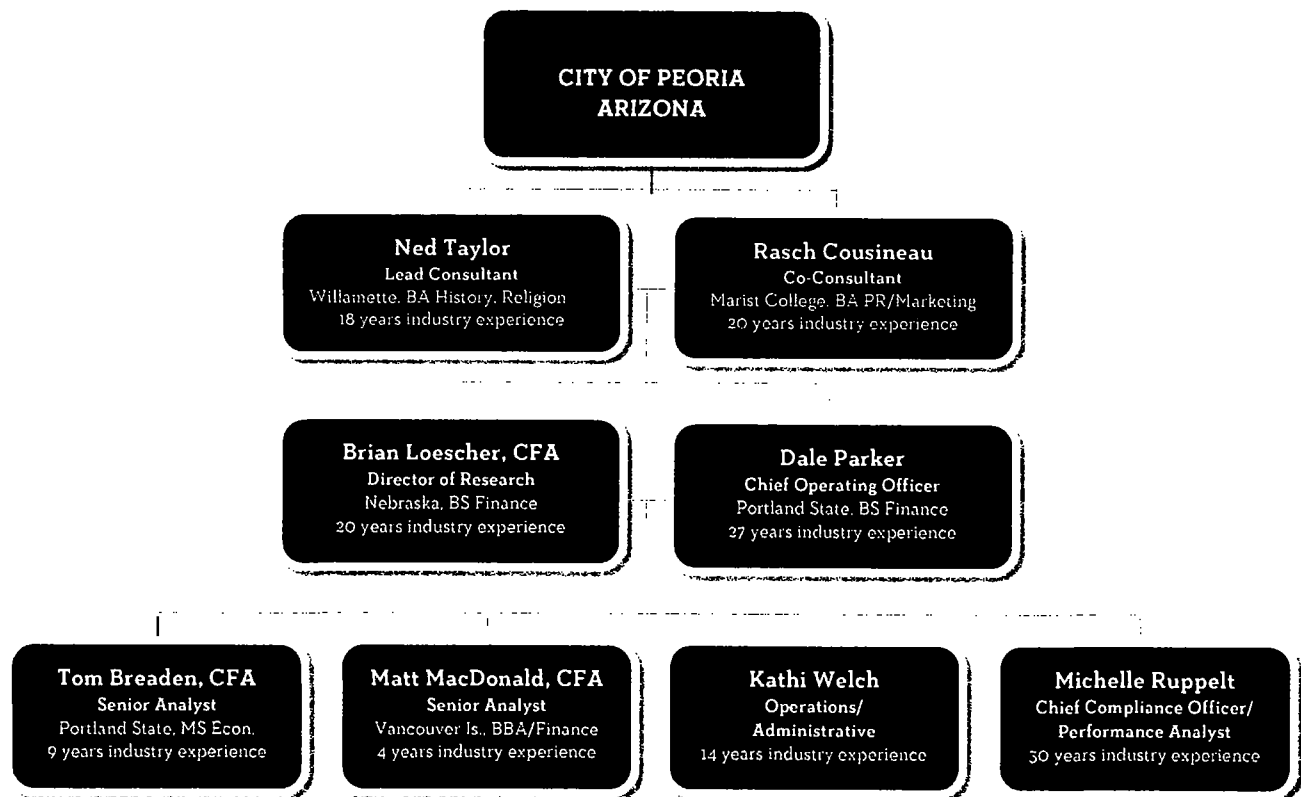


**Stability and satisfaction**

The Hyas Group is 100% employee-owned and we are not contemplating any ownership changes. Our staff have decades of institutional investment experience and we have never lost an employee. Our professionals are dedicated to high-quality client service, which can be measured by our retention rates – the Firm has never lost a retirement plan client and our service model is backed by performance guarantees.

- **Identify the specific staff member(s) who will be assigned to the City of Peoria and their specific qualifications as they relate to providing similar services for municipalities within the state of Arizona.**

**Proposed Consulting Team**



Ned Taylor will serve as the primary consultant for this relationship and will be joined by Rasch Cousineau as co-consultant. Ned will be responsible for marshaling the firm's resources and ensuring that all client servicing requirements are met and he will conduct all face-to-face meetings and deliver the firm's analysis and other work product. Both Ned and Rasch have extensive experience in working with retirement plans and their committees. They have the knowledge and capacity to deliver the services required for this relationship and will be supported by Brian Loescher, CFA, director of research; Dale Parker, chief operating officer; and Tom Breaden, CFA, Matt MacDonald, CFA, senior investment analysts, and Kathi Welch, operations manager. Mr. Loescher leads the firm's investment research efforts and is responsible for setting the criteria used to evaluate and select investment managers, mutual funds, and stable value trusts used by the firm's clients. Mr. Parker would be charged with assessing all expense, revenue and investment platform requirements. He also plays the primary role in the compilation of any provider RFP analysis, if necessary in the future. He is supported in these efforts by Mr. Breaden, Mr. MacDonald and Ms. Welch.

The chart on the following page further delineates the division of responsibilities among the assigned staff at Hyas Group.

Primary Duties	Taylor/ Cousineau	Parker	Loescher	Breaden/ MacDonald	Ruppelt
Primary client contact	X				
Report and work product deliverables	X				
Meetings with Board/Committee	X				
Plan governance support	X				
Board/Committee education	X				
Analytic support		X	X	X	
Investment option evaluation	X	X	X	X	
Analysis report preparation		X		X	
Investment manager database maintenance			X	X	
Governance doc (Investment Policy) review	X		X	X	
Investment manager due-diligence & search				X	
Client contact back-up	X				
Quality control	X	X	X		X
Compliance					X

Team building is critical for our organization and we have been fortunate that nearly all employees have a long history of working together. The processes that have been cultivated over the years and the delineation of duties allow us to work effectively. We are also fortunate to have no employee ever leave the firm for any reason.

### Team Member Biographies

**Ned Taylor** is a senior consultant for the Hyas Group and is responsible for developing and managing institutional client relationships. With more than 18 years of experience in the investment services industry, he offers these clients a rich perspective on retirement plan design, plan administration and recordkeeping, participant education, compliance testing and government reporting, and investment advisory support. Prior to joining the Hyas Group, Mr. Taylor worked at The Standard for more than a decade. As a relationship manager at Standard Retirement Services, he worked with retirement plan committees on customized advisory solutions for pension and defined contribution plans,

recordkeeping, as well as employee services, including participant education and communications. Prior to that, he worked at Columbia Funds.

Mr. Taylor earned a Bachelor of Arts in history and religion from Willamette University. He is a FINRA Series 65 holder and a former FINRA Series 6 and 63 license holder.

**Rasch Cousineau** is a senior consultant for the Hyas Group and focuses on the firm's retirement plan sponsor clients. With over 20 years of experience in the retirement services industry, he offers clients a rich perspective on investment portfolio construction, retirement plan design, vendor management, plan governance, fee negotiation, RFP management, and fiduciary training. Prior to joining the Hyas Group, Mr. Cousineau served as national vice president, defined contribution markets for an industry-leading provider. His responsibilities included: investment only (DCIO) product implementation, mobile technology and web content creation, customer relationship management (CRM) platform design, and development of effective participant outcome tools and targeted demographic messaging. In his role as national vice president, he also led a team of institutional sales professionals responsible for nurturing the RFP process from initial client interaction through the bid response culminating in sales finals and, when applicable: contract negotiation, design, and implementation. In his prior role, he worked closely with industry consultants, investment advisers, plan sponsors, unions, and investment committees during this process. Prior to his role as national vice president, Mr. Cousineau served as the west coast vice president working directly with regional plan sponsors and committees, helping them create better retirement outcomes for their plan participants and ultimately fulfill their fiduciary responsibilities.

Mr. Cousineau spends time working with various industry organizations. He has spoken about topics such as defined contribution industry trends, plan design, fiduciary responsibility, and plan best practices. He is a member of the National Association of Government Defined Contribution Administrators (NAGDCA) and has served on NAGDCA's National Save for Retirement Week and Awards Committees. Mr. Cousineau received a Bachelor of Arts in public relations/marketing from Marist College in Poughkeepsie, New York. He is a FINRA Series 6, 63, and 65 license holder and also maintains an insurance license with the State of Nevada.

**Dale Parker** is the chief operating officer and director of analytical services for the Hyas Group. He is responsible for supporting all aspects of the firm's operations, investment research, and a broad range of client projects. Mr. Parker serves as the analytical project lead for all clients, where he leverages his deep industry expertise in analyzing pricing and platform structure as well as investment vehicles. Prior to founding the Hyas Group in 2008, Mr. Parker served as a senior analyst at Arnerich Massena, Inc. where he was instrumental in designing and implementing the processes and analytical tools utilized across the firm. During his 11-year Arnerich tenure, Mr. Parker was responsible for a broad range of client project work along with investment manager research. He was tasked with conducting on-site manager due diligence, interviewing money managers, and with presenting recommendations to the firm's Investment Committee. During his last five years at the firm he focused primarily on constructing and refining the pricing models and various analytical tools utilized in the evaluation of institutional client accounts.

Mr. Parker's professional career began in 1989 at Qualivest Capital Management, the subsidiary investment unit of U.S. Bancorp that managed over \$10 billion in client assets. His role encompassed a broad range of buy-side analytical work, including the initial launch and management of Qualivest's mutual fund product line as well as corporate valuation tasks. Mr. Parker holds a Bachelor of Science degree in Finance/Law from Portland State University.

**Brian Loescher, CFA** is the chief investment officer and serves as the director of research for the Hyas Group. He is responsible for leading the firm's investment research efforts and marshalling resources to

effectively analyze current and prospective client investment options. Additional responsibilities include asset allocation modeling, manager contract evaluation, as well as general investment research and due diligence. Prior to joining the Hyas Group, Mr. Loescher spent 10 years at Arnerich Massena, Inc. where he served as the director of research and manager of the firm's analytics department. As director of research, he was responsible for the strategic direction of the firm's research efforts. He specialized in the sourcing of new investment managers and completion of primary due diligence within the hedge fund and private equity universes. Mr. Loescher chaired Arnerich Massena's Alternative Asset Investment Committee and was a member of the Asset Allocation and Implementation Committee, and Traditional Asset Investment Committee. In addition to these research and investment responsibilities, Mr. Loescher managed the firm's 11- member analytics department. This included personnel evaluation and training, along with project management in support of the firm's defined contribution plan, defined benefit plan, non-qualified deferred compensation plan, and wealth management and endowment/ foundation clients. Mr. Loescher has been working in the financial industry since 1993.

Prior to joining Arnerich Massena, he served as financial analyst for RV Kuhns & Associates. His responsibilities included asset allocation modeling, investment policy development, performance evaluation and attribution reporting, client 401(k) education training, and quarterly market analysis. Mr. Loescher has earned the right to use the Chartered Financial Analyst (CFA) designation and is a member of the Portland Society of Financial Analysts, Portland Alternative Investment Association, and the Chartered Financial Analyst (CFA) Institute. In addition, he holds a Bachelor of Science in Business Finance from the University of Nebraska.

**Tom Breaden, CFA** is a senior analyst and is responsible for contributing to a variety of projects including plan and vendor analyses, manager due diligence and research, production of investment performance reports, asset allocation work, and other initiatives. Prior to joining Hyas, Tom worked for five years at Heintzberger Payne as an analyst and director of research where his primary duties included developing and guiding investment decisions, manager due diligence, performance reporting, and other duties associated with the firm's investment advisory and third party administrative branches. Tom graduated Phi Beta Kappa from the University of Oregon with dual majors in History and Economics, and received a Master of Science in Economics from Portland State University. Tom has earned the right to use the Chartered Financial Analyst (CFA) designation and is a member of the Chartered Financial Analyst (CFA) Institute and the Chartered Financial Analyst (CFA) Society of Portland.

**Matt MacDonald, CFA** is a senior analyst and is responsible for contributing to a variety of projects including plan and vendor analyses, manager due diligence and research, production of investment performance reports, asset allocation work, and other initiatives. Prior to joining the Hyas Group, Mr. MacDonald worked at De Luca Veale Investment Counsel in British Columbia as a portfolio analyst where he was responsible for a variety of research based, asset allocation, client related and performance reporting projects. Prior to joining De Luca Veale Investment Counsel Inc. Mr. MacDonald was an analytics intern at Rain Capital Management where he supported the firm's research efforts in the areas of investment manager diligence, economic forecasting and risk analysis. Mr. MacDonald holds a Bachelor of Business Administration with a concentration in Finance, as well as a Business Diploma from Vancouver Island University. Matt has earned the right to use the Chartered Financial Analyst (CFA) designation and is a member of the Chartered Financial Analyst (CFA) Institute.

**Kathi Welch** is the operations manager for the Hyas Group. She is responsible for supporting the firm's operational and administrative functions and serves as an additional resource on provider evaluation RFP projects.

Prior to joining the Hyas Group, Ms. Welch worked at Arnerich Massena, Inc. as an Executive Assistant and Project Coordinator, where she was responsible for supporting senior consultants with high level administrative functions. She also served as project coordinator for the firm's provider evaluation RFP projects. Prior to her tenure at Arnerich Massena, Ms. Welch was an Executive Assistant to the Senior Vice President of Sales and Marketing at Meier & Frank, Inc. (A division of May Department Stores, now operating as Macy's).

**Michelle Ruppelt** is chief compliance officer for the Hyas Group. She is responsible for ensuring the Hyas Group's compliance with all SEC and state regulatory requirements. This includes review of general client information and files, contracts, correspondence and performance reports and continuous oversight of the firm's compliance program, including maintenance and updating of the firm's Form ADV, Operations Compliance Manual, Business Continuity Plan, and Code of Ethics. She also assists in client operations and performance reporting utilizing a variety of reporting platforms.

Prior to joining Hyas Group, Ms. Ruppelt worked at Arnerich Massena, Inc. as chief compliance officer, and during her 13 year tenure there, held additional positions including manager of the client services team and manager of the performance measurement department. She has nearly 30 years of experience in the financial industry, including operational and management roles in the brokerage industry.

### 3. COST CONSIDERATIONS

- **Submit Fee Schedule to indicate Fees and Fee Structure.**

#### FEES & FEE STRUCTURE

**A. Please describe how fees are determined for your firm's services. Fully describe any formulas used in deriving the fixed price and all assumptions used, including number of in-person meetings, number of fund searches, and number of proposals evaluated during the RFP process. Any limitations or "not-to-exceed" conditions on such services must be explicitly stated. Bidder cost proposals shall be presented in sufficient clarity and detail to enable the City to validate the costs.**

The Hyas Group utilizes a fixed fee pricing model for clients. The fixed fee encompasses all services and frequency of reports/meetings requested by the City, including travel costs and is capped by the contracted amount. This allows clients to better budget for services without concerns for variable costs. We want you to utilize our consulting services and remove any conflict that is associated with us receiving more compensation for services that may not be needed.

- B. Provide your fee schedule for the basic services outlined in the Scope of Work. The bidder must provide a total, fixed price for the services described in the RFP, including expenses. Fees for the following are to be identified separately as a fixed price, each by plan year (for the first 5 years).**
- **General Plan Consulting**
  - **Contract Administrative Services**
  - **Investment Policy and Fund Searches\***
  - **Investment Review Services**
  - **RFP Development Process and Contract Negotiations\***
  - **Post-Selection Contractor Transition Services\***

**Unless otherwise specified, the basic fees should include all items specified in the Scope of Work. The proposed fee shall be all-inclusive, reflecting all travel, labor, and incidental costs. In**

**addition, please provide hourly rates for "Additional Services," including travel, labor, and incidental costs.**

We assumed amortizing the recordkeeping RFP over the course of a five-year term. Should the recordkeeping contract extend beyond five years and no other RFP is needed at that time, our fee would drop by \$6,000 in year six.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
General Plan Consulting	\$32,000	\$32,000	\$32,000	\$33,000	\$33,000
Contract Administrative Services	Included	Included	Included	Included	Included
Investment Policy and Fund Searches*	Included	Included	Included	Included	Included
Investment Review Services	Included	Included	Included	Included	Included
RFP Dev. Process and Contract Negotiations*	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Post-Selection Contractor Transition Services*	Included	Included	Included	Included	Included
<b>Total Annual Fixed Pricing</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$39,000</b>	<b>\$39,000</b>

**C. Please describe any fees that are not included in the aggregate fixed fees discussed in the Scope of Work.**

There are no additional fees.

## SECTION 4



## QUESTIONNAIRE

Solicitation Number: **P17-0015**

### Materials Management Procurement

9875 N. 85<sup>th</sup> Ave., 2<sup>nd</sup> Fl.  
Peoria, Arizona 85345-6560  
Phone: (623) 773-7115  
Fax: (623) 773-7118

1. During the past five years, has your organization or any of its affiliates, parent or predecessor organizations or any officer or principal of your organization been involved in any business litigation, regulatory or legal proceedings? If yes, please provide a brief explanation and indicate the current status of the proceedings.  

No.
2. During the past five years, has your organization or any of its affiliates, parent or predecessor organizations or any officer or principal of your organization been the subject of an audit, inquiry, or administrative action by the SEC, IRS, U.S. Justice Department, or state regulatory body? If yes, please provide a brief explanation and indicate the current status of the proceedings.  

No.
3. Is your firm registered with the SEC or a state securities regulator as an investment advisor? If so, have you provided us with all the disclosures required under those laws? Please provide a complete copy of your latest Form ADV as it is on file with the Securities and Exchange Commission. Please see Section 5 for our most recent SEC Form ADV Part 1, Part 2, and Part 2 supplement. The City's receipt of Hyas Group ADV Forms meets with SEC requirements.
4. Please describe in detail any potential conflicts of interest your firm may experience in providing services to the Board, including activities of affiliated organizations and existing relationships with all categories of Plan service providers. Neither the Hyas Group nor any of its employees have any clients or associations that could present a conflict of interest.
5. Please list references for three (3) plans comparable in size to the City of Peoria for whom the primary consultant to be assigned to the City account has provided 457 plan and investment consulting services in the last five years. For each reference, include client name, address, name of contact person, e-mail address, telephone number, and the plan's asset base.  

Please see Section 6 for our client references.



# QUESTIONNAIRE

## Materials Management Procurement

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Peoria, Arizona 85345-6560  
Phone: (623) 773-7115  
Fax: (623) 773-7118

Solicitation Number: **P17-0015**

Offeror acknowledges that **NO** changes to the City's Insurance Requirements, Indemnification and Document Use requirements will be granted, and that any changes or modifications requested may result in the offeror's proposal being rejected.

Yes     No *If no, give reason below*

Offeror acknowledges acceptance of the City of Peoria's Standard Terms and Conditions and Special Terms and Conditions and takes no exceptions.

Yes     No *If no, give reason below*

Although the Hyas Group takes no exceptions to the Terms and Conditions, there are certain passages required by the SEC that need to be acknowledged in writing. We typically incorporate these passages into our Service Agreement. Please see the following page for a description of these requirements.

Has your firm been certified by any jurisdiction in Arizona as a minority or woman owned business enterprise?    Yes \_\_\_\_\_,    No  \_\_\_\_\_.

If yes, please provide details and documentation of the certification.

The following passages can be included in the contract or a written acknowledgement by the client would also satisfy the SEC requirements.

**Proxy Voting.** Consultant does not exercise proxy voting authority over client securities. The obligation to vote client proxies at all times rests with Client. However, Client is not precluded from contacting Consultant for advice or information about a particular proxy vote. However, Consultant will not be deemed to have proxy voting authority as a result of providing such advice to Client.

Should Consultant inadvertently receive proxy information for a security held in the Plan's account, Consultant will immediately forward such information to Client, but will not take any further action with respect to the voting of such proxy. Upon termination of this Agreement, Consultant will make a good faith and reasonable attempt to forward proxy information inadvertently received by Consultant on Client's behalf to the forwarding address provided by Client.

**Risk.** Client recognizes that there may be loss or depreciation of the value of any investment due to the fluctuation of market values. Client represents that no party to this Agreement has made any guarantee, either oral or written, that the Plan's investment objectives will be achieved. Consultant will not be liable for any error in judgment and/or for any investment losses in the absence of malfeasance, negligence or violation of applicable law. Nothing in this Agreement will constitute a waiver or limitation of any rights which Client may have under applicable state or federal law, including without limitation state and federal securities laws.

**Confidentiality.** In connection with the performance of Consultant's services under this Agreement, Consultant will hold any confidential information received from Client in strict confidence. Consultant will not disclose such information to any third party, except in compliance with Consultant's privacy policy, as necessary to perform services on Client's behalf, or as required by law. Client also agrees to respect the proprietary nature of Consultant's work product, and only disclose Consultant's advice, reports and recommendations to others in a manner consistent with the intended purposes of this agreement.

**No Waiver.** No waiver of rights under this Agreement or the Scope of Work hereunder by either party shall constitute a subsequent waiver of this or any other right under this Agreement.

**Severability.** In the event that any of the terms of this Agreement or any Scope of Work hereunder or the performance of any obligation by either party thereunder becomes or is declared to be illegal by any court of competent jurisdiction or other governmental body, such term(s) shall be null and void and shall be deemed deleted from this Agreement or the Scope of Work. All remaining terms of this Agreement shall remain in full force and effect

**Acknowledgement of Receipt of Part 2 Form ADV.** Client acknowledges that it has received and has had an opportunity to read Consultant's firm brochure (Form ADV, Part 2A) and applicable brochure supplements (Form ADV, Part 2B) prior to, or at the time of, entering into this Agreement.

**Acknowledgement of Receipt of Privacy Notice.** Client acknowledges that it has received and has had an opportunity to read Consultant's privacy notice prior to, or at the time of, entering into this Agreement.

## SECTION 5

**FORM ADV****UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION AND REPORT  
BY EXEMPT REPORTING ADVISERS****Primary Business Name: HYAS GROUP****CRD Number: 149122****Annual Amendment - All Sections****Rev. 10/2012****3/29/2016 1:30:38 PM**

**WARNING:** Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

**Item 1 Identifying Information**

Responses to this Item tell us who you are, where you are doing business, and how we can contact you.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):

**HYAS GROUP, LLC**

B. Name under which you primarily conduct your advisory business, if different from Item 1.A.:

**HYAS GROUP**

*List on Section 1.B. of Schedule D any additional names under which you conduct your advisory business.*

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.), enter the new name and specify whether the name change is of

your legal name or  your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: **801-69938**

(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:

E. If you have a number ("CRD Number") assigned by the FINRA's CRD system or by the IARD system, your CRD number: **149122**

*If your firm does not have a CRD number, skip this Item 1.E. Do not provide the CRD number of one of your officers, employees, or affiliates.*

F. *Principal Office and Place of Business*

(1) Address (do not use a P.O. Box):

Number and Street 1:

Number and Street 2:

108 NW 9TH AVENUE, #203

City:

State:

Country:

ZIP+4/Postal Code:

PORTLAND

Oregon

United States

97209

If this address is a private residence, check this box:

*List on Section 1.F. of Schedule D any office, other than your principal office and place of business,*



Telephone number:  
(971) 634-1508

Facsimile number:  
(971) 275-1856

Number and Street 1:  
108 NW 9TH AVE. #203

Number and Street 2:

City:  
PORTLAND

State:  
Oregon

Country:  
United States

ZIP+4/Postal Code:  
97209

Electronic mail (e-mail) address, if Chief Compliance Officer has one:  
MRUPPELT@HYASGROUP.COM

- K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name:  
BRIAN LOESCHER

Titles:  
DIRECTOR

Telephone number:  
(971) 634-1503

Facsimile number:  
971-275-1856

Number and Street 1:  
108 NW 9TH AVE. #203

Number and Street 2:

City:  
PORTLAND

State:  
Oregon

Country:  
United States

ZIP+4/Postal Code:  
97209

Electronic mail (e-mail) address, if contact person has one:  
BLOESCHER@HYASGROUP.COM

Yes No

- L. Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*?

*If "yes," complete Section 1.L. of Schedule D.*

Yes No

- M. Are you registered with a *foreign financial regulatory authority*?

*Answer "no" if you are not registered with a foreign financial regulatory authority, even if you have an*

*affiliate that is registered with a foreign financial regulatory authority. If "yes," complete Section 1.M. of Schedule D.*

- Yes No**
- N. Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934?
- If "yes," provide your CIK number (Central Index Key number that the SEC assigns to each public reporting company):

- Yes No**
- O. Did you have \$1 billion or more in assets on the last day of your most recent fiscal year?

- P. Provide your *Legal Entity Identifier* if you have one:

*A legal entity identifier is a unique number that companies use to identify each other in the financial marketplace. In the first half of 2011, the legal entity identifier standard was still in development. You may not have a legal entity identifier.*

#### **SECTION 1.B. Other Business Names**

No Information Filed

#### **SECTION 1.F. Other Offices**

No Information Filed

#### **SECTION 1.I. Website Addresses**

List your website addresses. You must complete a separate Schedule D Section 1.I. for each website address.

Website Address: HTTP://WWW.HYASGROUP.COM

#### **SECTION 1.L. Location of Books and Records**

No Information Filed

**SECTION 1.M. Registration with Foreign Financial Regulatory Authorities**

No Information Filed

**Item 2 SEC Registration/Reporting**

Responses to this Item help us (and you) determine whether you are eligible to register with the SEC. Complete this Item 2.A. only if you are applying for SEC registration or submitting an *annual updating amendment* to your SEC registration.

- A. To register (or remain registered) with the SEC, you must check **at least one** of the Items 2.A.(1) through 2.A.(12), below. If you are submitting an *annual updating amendment* to your SEC registration and you are no longer eligible to register with the SEC, check Item 2.A.(13). Part 1A Instruction 2 provides information to help you determine whether you may affirmatively respond to each of these items.

You (the adviser):

- (1) are a **large advisory firm** that either:
- (a) has regulatory assets under management of \$100 million (in U.S. dollars) or more, or
  - (b) has regulatory assets under management of \$90 million (in U.S. dollars) or more at the time of filing its most recent *annual updating amendment* and is registered with the SEC;
- (2) are a **mid-sized advisory firm** that has regulatory assets under management of \$25 million (in U.S. dollars) or more but less than \$100 million (in U.S. dollars) and you are either:
- (a) not required to be registered as an adviser with the *state securities authority* of the state where you maintain your *principal office and place of business*, or
  - (b) not subject to examination by the *state securities authority* of the state where you maintain your *principal office and place of business*;
- Click **HERE** for a list of states in which an investment adviser, if registered, would not be subject to examination by the state securities authority.*
- (3) have your *principal office and place of business* **In Wyoming** (which does not regulate advisers);
- (4) have your *principal office and place of business* **outside the United States**;
- (5) are an **investment adviser (or sub-adviser) to an investment company** registered under the Investment Company Act of 1940;
- (6) are an **investment adviser to a company which has elected to be a business development company** pursuant to section 54 of the Investment Company Act of 1940 and has not withdrawn the election, and you have at least \$25 million of regulatory assets under management;
- (7) are a **pension consultant** with respect to assets of plans having an aggregate value of at least \$200,000,000 that qualifies for the exemption in rule 203A-2(a);
- (8) are a **related adviser** under rule 203A-2(b) that *controls, is controlled by, or is under common control* with, an investment adviser that is registered with the SEC, and your *principal office and place of business* is the same as the registered adviser;

*If you check this box, complete Section 2.A.(8) of Schedule D.*

- (9) are a **newly formed adviser** relying on rule 203A-2(c) because you expect to be eligible for SEC registration within 120 days;

*If you check this box, complete Section 2.A.(9) of Schedule D.*

- (10) are a **multi-state adviser** that is required to register in 15 or more states and is relying on rule 203A-2(d);

*If you check this box, complete Section 2.A.(10) of Schedule D.*

- (11) are an **Internet adviser** relying on rule 203A-2(e);
- (12) have **received an SEC order** exempting you from the prohibition against registration with the SEC;

*If you check this box, complete Section 2.A.(12) of Schedule D.*

- (13) are **no longer eligible** to remain registered with the SEC.

### **State Securities Authority Notice Filings and State Reporting by Exempt Reporting Advisers**

- C. Under state laws, SEC-registered advisers may be required to provide to *state securities authorities* a copy of the Form ADV and any amendments they file with the SEC. These are called *notice filings*. In addition, *exempt reporting advisers* may be required to provide *state securities authorities* with a copy of reports and any amendments they file with the SEC. If this is an initial application or report, check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to direct your *notice filings* or reports to additional state(s), check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to your registration to stop your *notice filings* or reports from going to state(s) that currently receive them, uncheck the box(es) next to those state(s).

#### Jurisdictions

- |  |                             |  |  |
|--|-----------------------------|--|--|
| <input type="checkbox"/> AL            | <input type="checkbox"/> ID | <input type="checkbox"/> MO            | <input type="checkbox"/> PA            |
| <input type="checkbox"/> AK            | <input type="checkbox"/> IL | <input type="checkbox"/> MT            | <input type="checkbox"/> PR            |
| <input type="checkbox"/> AZ            | <input type="checkbox"/> IN | <input type="checkbox"/> NE            | <input type="checkbox"/> RI            |
| <input type="checkbox"/> AR            | <input type="checkbox"/> IA | <input type="checkbox"/> NV            | <input type="checkbox"/> SC            |
| <input checked="" type="checkbox"/> CA | <input type="checkbox"/> KS | <input type="checkbox"/> NH            | <input type="checkbox"/> SD            |
| <input type="checkbox"/> CO            | <input type="checkbox"/> KY | <input type="checkbox"/> NJ            | <input type="checkbox"/> TN            |
| <input type="checkbox"/> CT            | <input type="checkbox"/> LA | <input type="checkbox"/> NM            | <input checked="" type="checkbox"/> TX |
| <input type="checkbox"/> DE            | <input type="checkbox"/> ME | <input type="checkbox"/> NY            | <input type="checkbox"/> UT            |
| <input type="checkbox"/> DC            | <input type="checkbox"/> MD | <input type="checkbox"/> NC            | <input type="checkbox"/> VT            |
| <input type="checkbox"/> FL            | <input type="checkbox"/> MA | <input type="checkbox"/> ND            | <input type="checkbox"/> VI            |
| <input type="checkbox"/> GA            | <input type="checkbox"/> MI | <input type="checkbox"/> OH            | <input type="checkbox"/> VA            |
| <input type="checkbox"/> GU            | <input type="checkbox"/> MN | <input type="checkbox"/> OK            | <input checked="" type="checkbox"/> WA |
| <input type="checkbox"/> HI            | <input type="checkbox"/> MS | <input checked="" type="checkbox"/> OR | <input type="checkbox"/> WV            |
|  |                             |  | <input type="checkbox"/> WI            |

*If you are amending your registration to stop your notice filings or reports from going to a state that currently receives them and you do not want to pay that state's notice filing or report filing fee for the coming year, your amendment must be filed before the end of the year (December 31).*

**SECTION 2.A.(8) Related Adviser**

If you are relying on the exemption in rule 203A-2(b) from the prohibition on registration because you *control*, are *controlled by*, or are under common *control* with an investment adviser that is registered with the SEC and your *principal office and place of business* is the same as that of the registered adviser, provide the following information:

Name of Registered Investment Adviser

CRD Number of Registered Investment Adviser

SEC Number of Registered Investment Adviser

801 -

**SECTION 2.A.(9) Newly Formed Adviser**

If you are relying on rule 203A-2(c), the newly formed adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations. You must make both of these representations:

- I am not registered or required to be registered with the SEC or a *state securities authority* and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.
- I undertake to withdraw from SEC registration if, on the 120th day after my registration with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

**SECTION 2.A.(10) Multi-State Adviser**

If you are relying on rule 203A-2(d), the multi-state adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations.

If you are applying for registration as an investment adviser with the SEC, you must make both of these representations:

- I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 15 or more states to register as an investment adviser with the *state securities authorities* in those states.
- I undertake to withdraw from SEC registration if I file an amendment to this registration indicating that I would be required by the laws of fewer than 15 states to register as an investment adviser with the *state securities authorities* of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

- Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 15 states to register as an investment

adviser with the *state securities authorities* in those states.

**SECTION 2.A.(12) SEC Exemptive Order**

If you are relying upon an SEC *order* exempting you from the prohibition on registration, provide the following information:

Application Number:

803-

Date of *order*:

**Item 3 Form of Organization**

- A. How are you organized?
- Corporation
  - Sole Proprietorship
  - Limited Liability Partnership (LLP)
  - Partnership
  - Limited Liability Company (LLC)
  - Limited Partnership (LP)
  - Other (specify):

*If you are changing your response to this Item, see Part 1A Instruction 4.*

- B. In what month does your fiscal year end each year?  
DECEMBER

- C. Under the laws of what state or country are you organized?
- |        |               |
|--------|---------------|
| State  | Country       |
| Oregon | United States |

*If you are a partnership, provide the name of the state or country under whose laws your partnership was formed. If you are a sole proprietor, provide the name of the state or country where you reside.*

*If you are changing your response to this Item, see Part 1A Instruction 4.*

**Item 4 Successions****Yes No**

- A. Are you, at the time of this filing, succeeding to the business of a registered investment adviser?

*If "yes", complete Item 4.B. and Section 4 of Schedule D.*

- B. Date of Succession: (MM/DD/YYYY)

*If you have already reported this succession on a previous Form ADV filing, do not report the succession again. Instead, check "No." See Part 1A Instruction 4.*

**SECTION 4 Successions**

No Information Filed

**Item 5 Information About Your Advisory Business - Employees, Clients, and Compensation**

Responses to this Item help us understand your business, assist us in preparing for on-site examinations, and provide us with data we use when making regulatory policy. Part 1A Instruction 5.a. provides additional guidance to newly formed advisers for completing this Item 5.

**Employees**

*If you are organized as a sole proprietorship, include yourself as an employee in your responses to Item 5.A. and Items 5.B.(1), (2), (3), (4), and (5). If an employee performs more than one function, you should count that employee in each of your responses to Items 5.B.(1), (2), (3), (4), and (5).*

A. Approximately how many *employees* do you have? Include full- and part-time *employees* but do not include any clerical workers.

10

B. (1) Approximately how many of the *employees* reported in 5.A. perform investment advisory functions (including research)?

8

(2) Approximately how many of the *employees* reported in 5.A. are registered representatives of a broker-dealer?

0

(3) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives*?

5

(4) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives* for an investment adviser other than you?

0

(5) Approximately how many of the *employees* reported in 5.A. are licensed agents of an insurance company or agency?

0

(6) Approximately how many firms or other *persons* solicit advisory *clients* on your behalf?

0

*In your response to Item 5.B.(6), do not count any of your employees and count a firm only once – do not count each of the firm's employees that solicit on your behalf.*

**Clients**

*In your responses to Items 5.C. and 5.D. do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.*

C. (1) To approximately how many *clients* did you provide investment advisory services during your most recently completed fiscal year?



	None	Up to 25%	Up to 50%	Up to 75%	>75%
(a) Individuals (other than <i>high net worth Individuals</i> )	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(b) <i>High net worth individuals</i>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(c) Banking or thrift institutions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(d) Investment companies	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(e) Business development companies	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(f) Pooled investment vehicles (other than investment companies)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(g) Pension and profit sharing plans (but not the plan participants)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(h) Charitable organizations	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(i) Corporations or other businesses not listed above	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(j) State or municipal <i>government entities</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(k) Other investment advisers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(l) Insurance companies	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(m) Other:	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Compensation Arrangements**

E. You are compensated for your investment advisory services by (check all that apply):

- (1) A percentage of assets under your management
- (2) Hourly charges
- (3) Subscription fees (for a newsletter or periodical)
- (4) Fixed fees (other than subscription fees)
- (5) Commissions
- (6) *Performance-based fees*
- (7) Other (specify):

**Item 5 Information About Your Advisory Business - Regulatory Assets Under Management**

**Regulatory Assets Under Management**

		Yes	No												
F. (1)	Do you provide continuous and regular supervisory or management services to securities portfolios?	<input checked="" type="radio"/>	<input type="radio"/>												
(2)	If yes, what is the amount of your regulatory assets under management and total number of accounts?														
		<table border="0"> <thead> <tr> <th></th> <th>U.S. Dollar Amount</th> <th>Total Number of Accounts</th> </tr> </thead> <tbody> <tr> <td>Discretionary:</td> <td>(a) \$ 17,500,239</td> <td>(d) 3</td> </tr> <tr> <td>Non-Discretionary:</td> <td>(b) \$ 0</td> <td>(e) 0</td> </tr> <tr> <td>Total:</td> <td>(c) \$ 17,500,239</td> <td>(f) 3</td> </tr> </tbody> </table>			U.S. Dollar Amount	Total Number of Accounts	Discretionary:	(a) \$ 17,500,239	(d) 3	Non-Discretionary:	(b) \$ 0	(e) 0	Total:	(c) \$ 17,500,239	(f) 3
	U.S. Dollar Amount	Total Number of Accounts													
Discretionary:	(a) \$ 17,500,239	(d) 3													
Non-Discretionary:	(b) \$ 0	(e) 0													
Total:	(c) \$ 17,500,239	(f) 3													

*Part 1A Instruction 5.b. explains how to calculate your regulatory assets under management. You*

*must follow these instructions carefully when completing this Item.*

## Item 5 Information About Your Advisory Business - Advisory Activities

### Advisory Activities

G. What type(s) of advisory services do you provide? Check all that apply.

- (1) Financial planning services
- (2) Portfolio management for individuals and/or small businesses
- (3) Portfolio management for investment companies (as well as "business development companies" that have made an election pursuant to section 54 of the Investment Company Act of 1940)
- (4) Portfolio management for pooled investment vehicles (other than investment companies)
- (5) Portfolio management for businesses (other than small businesses) or institutional *clients* (other than registered investment companies and other pooled investment vehicles)
- (6) Pension consulting services
- (7) Selection of other advisers (including *private fund* managers)
- (8) Publication of periodicals or newsletters
- (9) Security ratings or pricing services
- (10) Market timing services
- (11) Educational seminars/workshops
- (12) Other(specify):

*Do not check Item 5.G.(3) unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, including as a subadviser. If you check Item 5.G.(3), report the 811 or 814 number of the investment company or investment companies to which you provide advice in Section 5.G.(3) of Schedule D.*

H. If you provide financial planning services, to how many *clients* did you provide these services during your last fiscal year?

- 0
- 1 - 10
- 11 - 25
- 26 - 50
- 51 - 100
- 101 - 250
- 251 - 500
- More than 500

If more than 500, how many?  
(round to the nearest 500)

*In your responses to this Item 5.H., do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.*

I. If you participate in a *wrap fee program*, do you (check all that apply):

- (1) *sponsor the wrap fee program?*
- (2) *act as a portfolio manager for the wrap fee program?*

*If you are a portfolio manager for a wrap fee program, list the names of the programs and their sponsors in Section 5.I.(2) of Schedule D.*

*If your involvement in a wrap fee program is limited to recommending wrap fee programs to your clients, or you advise a mutual fund that is offered through a wrap fee program, do not check either Item 5.I.(1) or 5.I.(2).*

**Yes No**

- J. In response to Item 4.B. of Part 2A of Form ADV, do you indicate that you provide investment advice only with respect to limited types of investments?

**SECTION 5.G.(3) Advisers to Registered Investment Companies and Business Development Companies**

No Information Filed

**SECTION 5.I.(2) Wrap Fee Programs**

No Information Filed

**Item 6 Other Business Activities**

In this Item, we request information about your firm's other business activities.

A. You are actively engaged in business as a (check all that apply):

- (1) broker-dealer (registered or unregistered)
- (2) registered representative of a broker-dealer
- (3) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- (4) futures commission merchant
- (5) real estate broker, dealer, or agent
- (6) insurance broker or agent
- (7) bank (including a separately identifiable department or division of a bank)
- (8) trust company
- (9) registered municipal advisor
- (10) registered security-based swap dealer
- (11) major security-based swap participant
- (12) accountant or accounting firm
- (13) lawyer or law firm
- (14) other financial product salesperson (specify):

*If you engage in other business using a name that is different from the names reported in Items 1.A. or 1.B, complete Section 6.A. of Schedule D.*

- |   | Yes                              | No                               |
|---|----------------------------------|----------------------------------|
| B. (1) Are you actively engaged in any other business not listed in Item 6.A. (other than giving investment advice)?  | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) If yes, is this other business your primary business?   | <input type="radio"/>            | <input type="radio"/>            |
| <i>If "yes," describe this other business on Section 6.B.(2) of Schedule D, and if you engage in this business under a different name, provide that name.</i> |                                  |                                  |
| (3) Do you sell products or provide services other than investment advice to your advisory clients?   | <input checked="" type="radio"/> | <input type="radio"/>            |

*If "yes," describe this other business on Section 6.B.(3) of Schedule D, and if you engage in this business under a different name, provide that name.*

**SECTION 6.A. Names of Your Other Businesses**

No Information Filed

**SECTION 6.B.(2) Description of Primary Business**

Describe your primary business (not your investment advisory business):

If you engage in that business under a different name, provide that name:

**SECTION 6.B.(3) Description of Other Products and Services**

Describe other products or services you sell to your *client*, You may omit products and services that you listed in Section 6.B.(2) above.

HYAS GROUP PERFORMS THE FOLLOWING SERVICES WHICH ARE NOT DIRECTLY INVESTMENT ADVISORY IN NATURE: CONSULTING WITH INV. COMMITTEES, PENSION PLAN REVIEW & ANALYSIS, FIDUCIARY EDUCATION & TRAINING, PLAN FEE & REVENUE ANALYSIS, AND VENDOR SEARCH PROJECTS.

If you engage in that business under a different name, provide that name.

**Item 7 Financial Industry Affiliations**

In this Item, we request information about your financial industry affiliations and activities. This information identifies areas in which conflicts of interest may occur between you and your *clients*.

- A. This part of Item 7 requires you to provide information about you and your *related persons*, including foreign affiliates. Your *related persons* are all of your *advisory affiliates* and any *person* that is under common *control* with you.

You have a *related person* that is a (check all that apply):

- (1) broker-dealer, municipal securities dealer, or government securities broker or dealer (registered or unregistered)
- (2) other investment adviser (including financial planners)
- (3) registered municipal advisor
- (4) registered security-based swap dealer
- (5) major security-based swap participant
- (6) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- (7) futures commission merchant
- (8) banking or thrift institution
- (9) trust company
- (10) accountant or accounting firm
- (11) lawyer or law firm
- (12) insurance company or agency
- (13) pension consultant
- (14) real estate broker or dealer
- (15) sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- (16) sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

*For each related person, including foreign affiliates that may not be registered or required to be registered in the United States, complete Section 7.A. of Schedule D.*

*You do not need to complete Section 7.A. of Schedule D for any related person if: (1) you have no business dealings with the related person in connection with advisory services you provide to your clients; (2) you do not conduct shared operations with the related person; (3) you do not refer clients or business to the related person, and the related person does not refer prospective clients or business to you; (4) you do not share supervised persons or premises with the related person; and (5) you have no reason to believe that your relationship with the related person otherwise creates a conflict of interest with your clients.*

*You must complete Section 7.A. of Schedule D for each related person acting as qualified custodian in connection with advisory services you provide to your clients (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.*

**SECTION 7.A. Financial Industry Affiliations**

No Information Filed

**Item 7 Private Fund Reporting**

**Yes No**

B. Are you an adviser to any *private fund*?

*If "yes," then for each private fund that you advise, you must complete a Section 7.B.(1) of Schedule D, except in certain circumstances described in the next sentence and in Instruction 6 of the Instructions to Part 1A. If another adviser reports this information with respect to any such private fund in Section 7.B.(1) of Schedule D of its Form ADV (e.g., if you are a subadviser), do not complete Section 7.B.(1) of Schedule D with respect to that private fund. You must, instead, complete Section 7.B.(2) of Schedule D.*

*In either case, if you seek to preserve the anonymity of a private fund client by maintaining its identity in your books and records in numerical or alphabetical code, or similar designation, pursuant to rule 204-2(d), you may identify the private fund in Section 7.B.(1) or 7.B.(2) of Schedule D using the same code or designation in place of the fund's name.*

**SECTION 7.B.(1) Private Fund Reporting**

No Information Filed

**SECTION 7.B.(2) Private Fund Reporting**

No Information Filed

**Item 8 Participation or Interest in Client Transactions**

In this Item, we request information about your participation and interest in your *clients'* transactions. This information identifies additional areas in which conflicts of interest may occur between you and your *clients*.

Like Item 7, Item 8 requires you to provide information about you and your *related persons*, including foreign affiliates.

**Proprietary Interest in Client Transactions**

- |  |  |
|--|--|
| A. Do you or any <i>related person</i> :   | <b>Yes</b> <b>No</b>                                   |
| (1) buy securities for yourself from advisory <i>clients</i> , or sell securities you own to advisory <i>clients</i> (principal transactions)?   | <input type="radio"/> <input checked="" type="radio"/> |
| (2) buy or sell for yourself securities (other than shares of mutual funds) that you also recommend to advisory <i>clients</i> ?   | <input type="radio"/> <input checked="" type="radio"/> |
| (3) recommend securities (or other investment products) to advisory <i>clients</i> in which you or any <i>related person</i> has some other proprietary (ownership) interest (other than those mentioned in Items 8.A.(1) or (2))? | <input type="radio"/> <input checked="" type="radio"/> |

**Sales Interest in Client Transactions**

- |  |  |
|--|--|
| B. Do you or any <i>related person</i> :   | <b>Yes</b> <b>No</b>                                   |
| (1) as a broker-dealer or registered representative of a broker-dealer, execute securities trades for brokerage customers in which advisory <i>client</i> securities are sold to or bought from the brokerage customer (agency cross transactions)?        | <input type="radio"/> <input checked="" type="radio"/> |
| (2) recommend purchase of securities to advisory <i>clients</i> for which you or any <i>related person</i> serves as underwriter, general or managing partner, or purchaser representative?  | <input type="radio"/> <input checked="" type="radio"/> |
| (3) recommend purchase or sale of securities to advisory <i>clients</i> for which you or any <i>related person</i> has any other sales interest (other than the receipt of sales commissions as a broker or registered representative of a broker-dealer)? | <input type="radio"/> <input checked="" type="radio"/> |

**Investment or Brokerage Discretion**

- |   |  |
|---|--|
| C. Do you or any <i>related person</i> have <i>discretionary authority</i> to determine the:  | <b>Yes</b> <b>No</b>                                   |
| (1) securities to be bought or sold for a <i>client's</i> account?  | <input checked="" type="radio"/> <input type="radio"/> |
| (2) amount of securities to be bought or sold for a <i>client's</i> account?  | <input checked="" type="radio"/> <input type="radio"/> |
| (3) broker or dealer to be used for a purchase or sale of securities for a <i>client's</i> account?   | <input type="radio"/> <input checked="" type="radio"/> |
| (4) commission rates to be paid to a broker or dealer for a <i>client's</i> securities transactions?  | <input type="radio"/> <input checked="" type="radio"/> |
| D. If you answer "yes" to C.(3) above, are any of the brokers or dealers <i>related persons</i> ?   |  |
| E. Do you or any <i>related person</i> recommend brokers or dealers to <i>clients</i> ?   | <input checked="" type="radio"/> <input type="radio"/> |
| F. If you answer "yes" to E above, are any of the brokers or dealers <i>related persons</i> ?   | <input type="radio"/> <input checked="" type="radio"/> |
| G. (1) Do you or any <i>related person</i> receive research or other products or services other than execution from a broker-dealer or a third party ("soft dollar benefits") in connection with <i>client</i> securities transactions? | <input type="radio"/> <input checked="" type="radio"/> |
| (2) If "yes" to G.(1) above, are all the "soft dollar benefits" you or any <i>related persons</i> receive eligible "research or brokerage services" under section 28(e) of the Securities Exchange                                      | <input type="radio"/> <input type="radio"/>            |

Act of 1934?

- H. Do you or any *related person*, directly or indirectly, compensate any *person* for *client* referrals?
  
- I. Do you or any *related person*, directly or indirectly, receive compensation from any *person* for *client* referrals?

*In responding to Items 8.H and 8.I., consider all cash and non-cash compensation that you or a related person gave to (In answering Item 8.H) or received from (in answering Item 8.I) any person in exchange for client referrals, including any bonus that is based, at least in part, on the number or amount of client referrals.*

**Item 9 Custody**

In this Item, we ask you whether you or a *related person* has *custody of client* (other than *clients* that are investment companies registered under the Investment Company Act of 1940) assets and about your custodial practices.

- A. (1) Do you have *custody* of any advisory *clients*': **Yes No**
- (a) cash or bank accounts?
- (b) securities?

*If you are registering or registered with the SEC, answer "No" to Item 9.A.(1)(a) and (b) if you have custody solely because (i) you deduct your advisory fees directly from your clients' accounts, or (ii) a related person has custody of client assets in connection with advisory services you provide to clients, but you have overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)-(2)(d)(5)) from the related person.*

- (2) If you checked "yes" to Item 9.A.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which you have *custody*:
- |                    |                                |
|--------------------|--------------------------------|
| U.S. Dollar Amount | Total Number of <i>Clients</i> |
| (a) \$             | (b)                            |

*If you are registering or registered with the SEC and you have custody solely because you deduct your advisory fees directly from your clients' accounts, do not include the amount of those assets and the number of those clients in your response to Item 9.A.(2). If your related person has custody of client assets in connection with advisory services you provide to clients, do not include the amount of those assets and number of those clients in your response to 9.A.(2). Instead, include that information in your response to Item 9.B.(2).*

- B. (1) In connection with advisory services you provide to *clients*, do any of your *related persons* have *custody* of any of your advisory *clients*': **Yes No**
- (a) cash or bank accounts?
- (b) securities?

*You are required to answer this item regardless of how you answered Item 9.A.(1)(a) or (b).*

- (2) If you checked "yes" to Item 9.B.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which your *related persons* have *custody*:
- |                    |                                |
|--------------------|--------------------------------|
| U.S. Dollar Amount | Total Number of <i>Clients</i> |
| (a) \$             | (b)                            |

- C. If you or your *related persons* have *custody of client* funds or securities in connection with advisory services you provide to *clients*, check all the following that apply:
- (1) A qualified custodian(s) sends account statements at least quarterly to the investors in the pooled investment vehicle(s) you manage.
- (2) An *independent public accountant* audits annually the pooled investment vehicle(s) that

you manage and the audited financial statements are distributed to the investors in the pools.

- (3) An *Independent public accountant* conducts an annual surprise examination of *client* funds and securities.
- (4) An *Independent public accountant* prepares an internal control report with respect to custodial services when you or your *related persons* are qualified custodians for *client* funds and securities.

*If you checked Item 9.C.(2), C.(3) or C.(4), list in Section 9.C. of Schedule D the accountants that are engaged to perform the audit or examination or prepare an internal control report. (If you checked Item 9.C.(2), you do not have to list auditor information in Section 9.C. of Schedule D if you already provided this information with respect to the private funds you advise in Section 7.B.(1) of Schedule D).*

- D. Do you or your *related person(s)* act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*? **Yes No**
- (1) you act as a qualified custodian
  - (2) your *related person(s)* act as qualified custodian(s)

*If you checked "yes" to Item 9.D.(2), all related persons that act as qualified custodians (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)) must be identified in Section 7.A. of Schedule D, regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.*

- E. If you are filing your *annual updating amendment* and you were subject to a surprise examination by an *independent public accountant* during your last fiscal year, provide the date (MM/YYYY) the examination commenced:
- F. If you or your *related persons* have *custody of client* funds or securities, how many persons, including, but not limited to, you and your *related persons*, act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*?

**SECTION 9.C. Independent Public Accountant**

No Information Filed

**Item 10 Control Persons**

In this Item, we ask you to identify every *person* that, directly or indirectly, *controls* you.

If you are submitting an initial application or report, you must complete Schedule A and Schedule B. Schedule A asks for information about your direct owners and executive officers. Schedule B asks for information about your indirect owners. If this is an amendment and you are updating information you reported on either Schedule A or Schedule B (or both) that you filed with your initial application or report, you must complete Schedule C.

**Yes No**

- A. Does any *person* not named in Item 1.A. or Schedules A, B, or C, directly or indirectly, *control* your management or policies?

*If yes, complete Section 10.A. of Schedule D.*

- B. If any *person* named in Schedules A, B, or C or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please complete Section 10.B. of Schedule D.

**SECTION 10.A. Control Persons**

No Information Filed

**SECTION 10.B. Control Person Public Reporting Companies**

No Information Filed

**Item 11 Disclosure Information**

In this Item, we ask for information about your disciplinary history and the disciplinary history of all your *advisory affiliates*. We use this information to determine whether to grant your application for registration, to decide whether to revoke your registration or to place limitations on your activities as an investment adviser, and to identify potential problem areas to focus on during our on-site examinations. One event may result in "yes" answers to more than one of the questions below.

Your *advisory affiliates* are: (1) all of your current *employees* (other than *employees* performing only clerical, administrative, support or similar functions); (2) all of your officers, partners, or directors (or any *person* performing similar functions); and (3) all *persons* directly or indirectly *controlling* you or *controlled* by you. If you are a "separately identifiable department or division" (SID) of a bank, see the Glossary of Terms to determine who your *advisory affiliates* are.

*If you are registered or registering with the SEC or if you are an exempt reporting adviser, you may limit your disclosure of any event listed in Item 11 to ten years following the date of the event. If you are registered or registering with a state, you must respond to the questions as posed; you may, therefore, limit your disclosure to ten years following the date of an event only in responding to Items 11.A.(1), 11.A.(2), 11.B.(1), 11.B.(2), 11.D.(4), and 11.H.(1)(a). For purposes of calculating this ten-year period, the date of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments, or decrees lapsed.*

You must complete the appropriate Disclosure Reporting Page ("DRP") for "yes" answers to the questions in this Item 11.

**Yes No**

Do any of the events below involve you or any of your *supervised persons*?

For "yes" answers to the following questions, complete a Criminal Action DRP:

A. In the past ten years, have you or any *advisory affiliate*:

**Yes No**

(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any *felony*?

(2) been *charged* with any *felony*?

*If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.A.(2) to charges that are currently pending.*

B. In the past ten years, have you or any *advisory affiliate*:

(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a *misdemeanor* involving: investments or an *investment-related* business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?

(2) been *charged* with a *misdemeanor* listed in Item 11.B.(1)?

*If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.B.(2) to charges that are currently pending.*

For "yes" answers to the following questions, complete a Regulatory Action DRP:

C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:

**Yes No**

- (1) *found* you or any *advisory affiliate* to have made a false statement or omission?
- (2) *found* you or any *advisory affiliate* to have been *involved* in a violation of SEC or CFTC regulations or statutes?
- (3) *found* you or any *advisory affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?
- (4) entered an *order* against you or any *advisory affiliate* in connection with *investment-related* activity?
- (5) imposed a civil money penalty on you or any *advisory affiliate*, or *ordered* you or any *advisory affiliate* to cease and desist from any activity?
- D. Has any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority*:
- (1) ever *found* you or any *advisory affiliate* to have made a false statement or omission, or been dishonest, unfair, or unethical?
- (2) ever *found* you or any *advisory affiliate* to have been *involved* in a violation of *investment-related* regulations or statutes?
- (3) ever *found* you or any *advisory affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?
- (4) in the past ten years, entered an *order* against you or any *advisory affiliate* in connection with an *investment-related* activity?
- (5) ever denied, suspended, or revoked your or any *advisory affiliate's* registration or license, or otherwise prevented you or any *advisory affiliate*, by *order*, from associating with an *investment-related* business or restricted your or any *advisory affiliate's* activity?
- E. Has any *self-regulatory organization* or commodities exchange ever:
- (1) *found* you or any *advisory affiliate* to have made a false statement or omission?
- (2) *found* you or any *advisory affiliate* to have been *involved* in a violation of its rules (other than a violation designated as a "*minor rule violation*" under a plan approved by the SEC)?
- (3) *found* you or any *advisory affiliate* to have been the cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?
- (4) disciplined you or any *advisory affiliate* by expelling or suspending you or the *advisory affiliate* from membership, barring or suspending you or the *advisory affiliate* from association with other members, or otherwise restricting your or the *advisory affiliate's* activities?
- F. Has an authorization to act as an attorney, accountant, or federal contractor granted to you or any *advisory affiliate* ever been revoked or suspended?
- G. Are you or any *advisory affiliate* now the subject of any regulatory proceeding that could result in a "yes" answer to any part of Item 11.C., 11.D., or 11.E.?

For "yes" answers to the following questions, complete a Civil Judicial Action DRP:

- H. (1) Has any domestic or foreign court: Yes No

- (a) In the past ten years, enjoined you or any *advisory affiliate* in connection with any *investment-related* activity?
- (b) ever *found* that you or any *advisory affiliate* were *involved* in a violation of *investment-related* statutes or regulations?
- (c) ever dismissed, pursuant to a settlement agreement, an *investment-related* civil action brought against you or any *advisory affiliate* by a state or *foreign financial regulatory authority*?
- (2) Are you or any *advisory affiliate* now the subject of any civil proceeding that could result in a "yes" answer to any part of Item 11.H.(1)?

**Item 12 Small Businesses**

The SEC is required by the Regulatory Flexibility Act to consider the effect of its regulations on small entities. In order to do this, we need to determine whether you meet the definition of "small business" or "small organization" under rule 0-7.

Answer this Item 12 only if you are registered or registering with the SEC and you indicated in response to Item 5.F.(2)(c) that you have regulatory assets under management of less than \$25 million. You are not required to answer this Item 12 if you are filing for initial registration as a state adviser, amending a current state registration, or switching from SEC to state registration.

For purposes of this Item 12 only:

- Total Assets refers to the total assets of a firm, rather than the assets managed on behalf of *clients*. In determining your or another *person's* total assets, you may use the total assets shown on a current balance sheet (but use total assets reported on a consolidated balance sheet with subsidiaries included, if that amount is larger).
- *Control* means the power to direct or cause the direction of the management or policies of a *person*, whether through ownership of securities, by contract, or otherwise. Any *person* that directly or indirectly has the right to vote 25 percent or more of the voting securities, or is entitled to 25 percent or more of the profits, of another *person* is presumed to *control* the other *person*.

**Yes No**

A. Did you have total assets of \$5 million or more on the last day of your most recent fiscal year?

If "yes," you do not need to answer Items 12.B. and 12.C.

B. Do you:

(1) *control* another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year?

(2) *control* another *person* (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?

C. Are you:

(1) *controlled* by or under common *control* with another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year?

(2) *controlled* by or under common *control* with another *person* (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?

**Schedule A**

**Direct Owners and Executive Officers**

1. Complete Schedule A only if you are submitting an initial application or report. Schedule A asks for information about your direct owners and executive officers. Use Schedule C to amend this information.
2. Direct Owners and Executive Officers. List below the names of:
  - (a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer(Chief Compliance Officer is required if you are registered or applying for registration and cannot be more than one individual), director, and any other individuals with similar status or functions;
  - (b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);  
 Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
  - (c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;
  - (d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and
  - (e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
3. Do you have any indirect owners to be reported on Schedule B?  Yes  No
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
5. Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are:
 

NA - less than 5%	B - 10% but less than 25%	D - 50% but less than 75%
A - 5% but less than 10%	C - 25% but less than 50%	E - 75% or more
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.  
 (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.  
 (c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Status	Date Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.

DAVIDSON, JAYSON, ALLEN	I	MANAGING PARTNER, DIRECTOR OF CONSULTING SERVICES	08/2008	C	Y	N	2825116
PARKER, WARREN, DALE	I	MANAGING PARTNER, DIRECTOR OF ANALYTICAL SERVICES	08/2008	C	Y	N	5627542
LOESCHER, BRIAN, JAMES	I	MANAGING PARTNER, DIRECTOR OF RESEARCH	09/2009	B	Y	N	5767425
WORTHINGTONRUPPELT, MICHELLE, KAY	I	CHIEF COMPLIANCE OFFICER	05/2012	NA	Y	N	1287084

**Schedule B****Indirect Owners**

1. Complete Schedule B only if you are submitting an initial application. Schedule B asks for information about your indirect owners; you must first complete Schedule A, which asks for information about your direct owners. Use Schedule C to amend this information.
2. Indirect Owners. With respect to each owner listed on Schedule A (except individual owners), list below:
  - (a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;

For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.

- (b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;
  - (c) in the case of an owner that is a trust, the trust and each trustee; and
  - (d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.
3. Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act) is reached, no further ownership information need be given.
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.
5. Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are:
 

C - 25% but less than 50%	E - 75% or more
D - 50% but less than 75%	F - Other (general partner, trustee, or elected manager)
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
  - (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
  - (c) Complete each column.

No Information Filed

**Schedule D - Miscellaneous**

You may use the space below to explain a response to an Item or to provide any other information.

**DRP Pages**

**CRIMINAL DISCLOSURE REPORTING PAGE (ADV)**

No Information Filed

**REGULATORY ACTION DISCLOSURE REPORTING PAGE (ADV)**

No Information Filed

**CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)**

No Information Filed

**Part 2**

**Exemption from brochure delivery requirements for SEC-registered advisers**

SEC rules exempt SEC-registered advisers from delivering a firm brochure to some kinds of clients. If these exemptions excuse you from delivering a brochure to *all* of your advisory clients, you do not have to prepare a brochure.

**Yes No**

Are you exempt from delivering a brochure to all of your clients under these rules?

*If no, complete the ADV Part 2 filing below.*

Amend, retire or file new brochures:

Brochure ID	Brochure Name	Brochure Type(s)
143220	2015 FORM ADV PART 2A	High net worth individuals, Pension plans/profit sharing plans, Pension consulting, Foundations/charities, Government/municipal, Other institutional
254390	2016 FORM ADV PART 2	Individuals, High net worth individuals, Pension plans/profit sharing plans, Pension consulting, Foundations/charities, Government/municipal, Other institutional, Selection of Other Advisers/Solicitors

**Execution Pages****DOMESTIC INVESTMENT ADVISER EXECUTION PAGE**

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

**Appointment of Agent for Service of Process**

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the Secretary of State or other legally designated officer, of the state in which you maintain your *principal office and place of business* and any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order instituting proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, *administrative proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are submitting a *notice filing*.

**Signature**

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:

MICHELLE K WORTHINGTON-RUPPELT

Printed Name:

MICHELLE K WORTHINGTON-RUPPELT

Adviser CRD Number:

149122

Date: MM/DD/YYYY

03/29/2016

Title:

CHIEF COMPLIANCE OFFICER

**NON-RESIDENT INVESTMENT ADVISER EXECUTION PAGE**

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

**1. Appointment of Agent for Service of Process**

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint each of the Secretary of the SEC, and the Secretary of State or other legally designated officer, of any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such persons may accept service on your behalf, of any notice, subpoena, summons, *order instituting proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding* or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of any state in which you are submitting a *notice filing*.

## 2. Appointment and Consent: Effect on Partnerships

If you are organized as a partnership, this irrevocable power of attorney and consent to service of process will continue in effect if any partner withdraws from or is admitted to the partnership, provided that the admission or withdrawal does not create a new partnership. If the partnership dissolves, this irrevocable power of attorney and consent shall be in effect for any action brought against you or any of your former partners.

## 3. *Non-Resident* Investment Adviser Undertaking Regarding Books and Records

By signing this Form ADV, you also agree to provide, at your own expense, to the U.S. Securities and Exchange Commission at its principal office in Washington D.C., at any Regional or District Office of the Commission, or at any one of its offices in the United States, as specified by the Commission, correct, current, and complete copies of any or all records that you are required to maintain under Rule 204-2 under the Investment Advisers Act of 1940. This undertaking shall be binding upon you, your heirs, successors and assigns, and any *person* subject to your written irrevocable consents or powers of attorney or any of your general partners and *managing agents*.

### Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the *non-resident* investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:

Date: MM/DD/YYYY

Printed Name:

Title:

Adviser CRD Number:

149122

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[Privacy](#) | [Legal](#) | [Terms & Conditions](#)



February 17, 2017

Lisa Houg, CPPB - Contract Officer  
City of Peoria, Materials Management  
9875 N. 85th Avenue, Peoria, AZ 85345

Dear Ms. Houg:

As an Investment Advisor registered with the Securities Exchange Commission (SEC), Hyas Group must distribute our Form ADV (containing information on our services, fees, proxy voting policies, privacy policy, and other business subjects) to prospects and clients. The SEC requires us to have explicit written acknowledgement of receipt from the client of our Form ADV and Privacy Policy. By signing below, you are acknowledging receipt of these documents.

The City of Peoria acknowledges that it has received and has had an opportunity to read the Hyas Group's firm brochure (Form ADV, Part 2A) and applicable brochure supplements (Form ADV, Part 2B Supplement) prior to, or at the time of, entering into the separate consulting services agreement.

We have also received Hyas Group's privacy notice prior to, or at the time of, entering into our agreement with Hyas Group.

Christine Nickel  
Signed

2-27-17  
Date

Christine Nickel  
Printed Name

Thank you and feel free to contact me if you have any questions regarding this matter.

Sincerely,

Michelle Ruppelt

Michelle Ruppelt  
Chief Compliance Officer  
[mruppelt@hyasgroup.com](mailto:mruppelt@hyasgroup.com)  
(971) 634-1508



## **Hyas Group, LLC - Privacy Notice**

We, like other professionals who advise on personal financial matters are required to inform our clients of our policies regarding the privacy of client information.

In the course of providing our clients with certain advice, we may receive nonpublic or personal financial information from our clients, their accountants and other representatives, such as financial statements, tax and income information and other financial information. All nonpublic or personal information that we receive regarding our clients or former clients is held in strict confidence in accordance with our professional obligations, and is not released to people outside the Firm, except with your consent or as required by law or to explain our actions to professional organizations that we are members of. We may share certain information with non-affiliated third parties who assist us in providing our services to you (such as administrative and client service functions) or marketing services, to advise you of our services, subject to the obligation of these third parties not to use or disclose such information for any other purpose.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases to comply with professional guidelines. In order to guard your nonpublic or personal information from unauthorized disclosure, we maintain physical, electronic and procedural safeguards.



Form ADV Part 2A, Firm Brochure

**Hyas Group, LLC**  
108 NW 9th Avenue, Suite 203  
Portland, OR 97209  
971-634-1500  
SEC File No. 801-69938  
CRD Number 149122

March 29, 2016

This brochure provides information about the qualifications and business practices of Hyas Group LLC ("Hyas" or "Adviser".) If you have any questions about the contents of this brochure, please contact us at 971-634-1500 or [mruppelt@hyasgroup.com](mailto:mruppelt@hyasgroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Hyas Group, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Hyas Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Material Changes** Pursuant to SEC Rules, this Brochure is reviewed on an ongoing basis for necessary revisions. The changes made since our last annual version are:

Item 4, on page 2, we have updated the client assets under management.

Item 12, Brokerage Practices. On page 7, a section entitled "Directed Brokerage" has been added.

Item 15, Custody. On page 8, a sentence has been added regarding the client reviewing statements received directly from custodians.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Michelle Ruppelt, Chief Compliance Officer at 971-634-1508 or [mruppelt@hyasgroup.com](mailto:mruppelt@hyasgroup.com).

Additional information about Hyas is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Hyas who are registered, or are required to be registered, as investment adviser representatives of Hyas.

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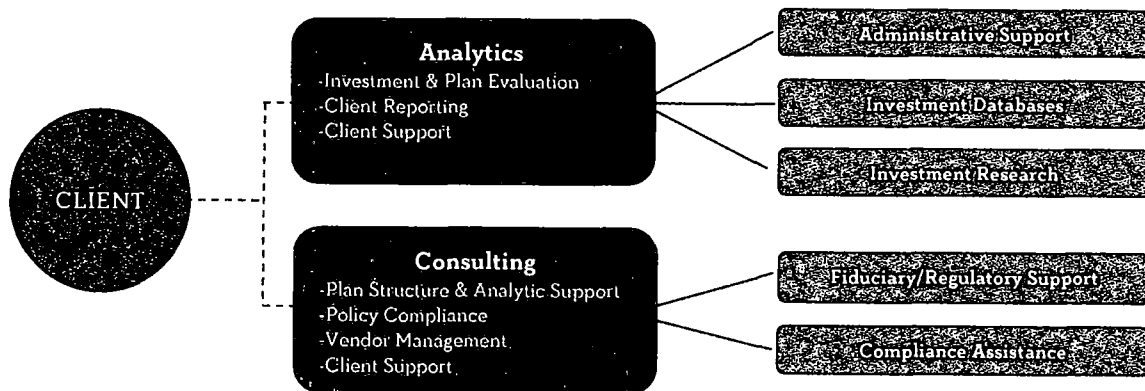
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#### Item 4 - Advisory Business

The Hyas Group is an independent investment consulting firm that provides services largely to institutional investors including defined contribution and defined benefit retirement plan clients along with endowments and foundations. Founded in 2008, the firm is structured as a Limited Liability Company (LLC) and is wholly owned by three senior consulting partners. The firm has only one line of business, the investment consulting business. The sole office location is in Portland, Oregon and there are no Hyas Group parents, subsidiaries or affiliates.

The Hyas Group partners have over 45 years of combined experience serving clients in an institutional investment consulting capacity and the firm has been providing investment consulting services since its founding. The Hyas Group offers a wealth of consulting experience to all major plan structures. Corporate, governmental and non-profit plan sponsors have all sought the analytical skills and fiduciary support services offered by the firm.

The overall organizational structure is summarized as follows:



#### Advisory Services and Fees

Hyas Group, LLC. ("Hyas Group") provides two primary types of services, described below, through its Investment Advisor Representatives (IARs). Our clientele includes committee directed plans such as Defined Benefit Pension Plans and OPEB Trusts, and participant direct plans such as 401, 403(b) and 457 Plans.

#### Investment Advisory Services

Hyas performs a broad array of investment advisory services for its clients. Not all clients choose to receive all potential services. The potential services include, but are not limited to, review of an existing investment policy statement or assistance in creating an investment policy statement, plan performance reporting, asset allocation modeling, analysis of current investment options and portfolio structure, portfolio rebalancing and investment manager searches.

We also offer discretionary portfolio management services. When utilizing this service, as with all clients, we work with them to create and/or review their investment policy statement, review their current asset allocation, investment manager allocation and manager performance. The ongoing manager selection and strategic rebalancing within the investment policy ranges are managed inhouse by the Hyas Group.

#### Advice and Consulting not Involving Securities

Many of the services that Hyas Group performs for clients are not investment advisory in nature. These services include, but are not limited to, consulting with investment committees, pension plan review and analysis, fiduciary education and training, plan fee and revenue analysis, vendor search projects, and reporting on investments and pension plan results. The specific services that Hyas Group performs for a client are described in a written agreement with each client.

Hyas Group currently advises approximately \$16.2 billion in client assets. Hyas Group has discretion over approximately \$17.5 million in client assets.

#### **Item 5 - Fees and Compensation**

Hyas Group charges some clients a fee based upon the size or value of assets under the advice relationship which may include portfolios that are a part of overall assets. Assets will be valued on the last day calendar quarter. Quarterly fees are calculated and charged in arrears, after services have been performed. The actual rate would vary depending upon the scope of services the client requests Hyas Group to perform. This fee is described in the written agreement entered into between the client and Hyas Group.

The client acknowledges and agrees that fees payable to Hyas Group may if the client desires to do so, be automatically deducted from the client's account.

In cases when the advisory agreement does not span the full billing period, fees are prorated from the date of inception or through the date of termination. The Advisor or client may terminate the investment advisory agreement at any time with written notice to the advisor at their main office.

#### Fixed Fees

In some cases, Hyas Group will perform services for clients where the cost is set and agreed to with the client in advance of performing the service. The exact cost of the service would depend upon the complexity and scope of the service to be performed. Hyas Group, LLC enters into a written agreement that explains the services to be performed and an estimate of the cost to complete the service. Fees are normally paid upon delivery of the specific work product. If either party terminates the fixed fee engagement, the client is responsible to compensate Hyas Group for work done on a prorata basis, based upon the number of days the services was provided in the quarterly billing period.

#### Other Fees

The above-referenced fees charged by Hyas Group do not include brokerage commissions and other costs related to the execution of transactions on behalf of clients. Such costs will be paid by advisory

clients in addition to the fees discussed above. Clients are also responsible for asset management fees and plan or account administration fees paid to custodians and broker-dealers. These fees are disclosed in the disclosure document or agreements in the custodian's account opening documents. Clients are also responsible for margin interest, wire transfer fees, safe keeping fees and other special services provided by the broker-dealer, transfer agent, or custodian and disclosed by the custodian at the time the client opens their account(s) or when service is requested.

For some clients, we recommend investment vehicles such as Limited Partnerships or Limited Liability Companies (e.g. real estate, hedge funds). These investments have fees such as annual management fees that the client is also responsible for. Each investment manager states their various fees within the subscription documents and/or offering memorandum.

#### Investment Company Fees

Investment company funds that are held by clients will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some funds pay 12b-1 fees, Distribution Fees, and or Shareholder Service Fees to broker-dealers that offer such funds to their clients. These charges affect the Net Asset Value of these fund shares and are thus indirectly borne by fund shareholders such as a Hyas Group client. Some fund companies have imposed a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the fund shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. Unlike a sales load, which is generally used to compensate brokers, a redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund, not to a broker. The SEC generally limits redemption fees to 2%. In most cases, the funds will use the "first-in, first-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account.

A complete explanation of these charges is contained in the prospectus and "Statement of Additional Information" for each investment company fund. You can get a prospectus from the investment company (through its website or by telephone or mail). Your financial professional or broker can also provide you with a copy.

#### **Item 6 - Performance-Based Fees**

It is the Company's policy not to charge clients based upon the performance of their accounts except where the growth in an account will affect an asset based fee (size of the account).

#### **Item 7 - Types of Clients**

The Hyas Group provides investment consulting services to municipalities, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, and high net worth individuals.

### **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

The investment review process at the Hyas Group is continuous and ongoing. Our team reviews mutual funds and other investment vehicles on both a predetermined and impromptu basis. We rely on a number of databases to house our investment return data as well as attribution systems. The databases include mutual funds, commingled funds, insurance products, separate accounts as well as alternative products such as hedge funds.

Our reporting capabilities, analytics resources and manager contacts generally include the following resource tools and data bases:

- Morningstar Direct - which provides extensive mutual fund or separate account data including peer group, performance and holdings information
- Encorr (Ibbotson) proprietary allocation program - which provides asset allocation modeling software for the assessment of pre-mixed portfolios.
- Institutional data-base subscriptions - Barclays Capital (formerly Lehman Brothers), Standard & Poors, Russell and MSCI/Barra all provide data for the compilation of our reports.
- InvestorForce - which provides manager and total plan universe information, index information and software for report production.

These databases can be used for screening a multitude of investment products. The databases make more than 100 screening factors available. Statistical and regression analysis is also performed using the databases. This allows us to analyze portfolios over multiple time periods versus relative benchmarks as well as compare investments on a side-by-side basis. In this quantitative review, we also compare risk and value-add statistics such as standard deviation, alpha, beta and up/down market capture. All of these tools, when taken in concert with an assessment of underlying securities holdings and sector allocations, allow us to feel confident in the total evaluation of the products in which our clients invest.

Our research process is not limited to databases alone. We also provide qualitative assessments of the investment products we recommend to our clients by meeting with investment managers face-to-face and conducting regular conference calls with the individuals responsible for managing and servicing the specific investment vehicles we are evaluating. We feel strongly that active investment performance is driven by skilled people and, therefore, we analyze the manager's philosophy, process and personnel in order to have a firm grasp on the skill sets offered by different managers.

The conversations will typically involve

- 1) a discussion of the dynamics of the investment team,
- 2) strategy,
- 3) firm structure,
- 4) portfolio construction and
- 5) performance attributions.

Often these meetings help facilitate frank discussions with the portfolio managers which help us provide the most accurate and up-to-date information available.

While some risk is inherent in any investment, we believe that it is imperative that risk be managed appropriately. Thorough review of volatility and risk adjusted return can also add value when properly considered. For each of our client's available investment options we'll analyze risk-related measures such as beta, standard deviation, alpha, up-market capture and down-market capture. It is our expectation that all funded products provide a competitive risk adjusted return. Therefore each product is reviewed with that expectation in mind.

#### Investment Strategy

At the outset of our working with a Client, we review a Client's risk profile, portfolio goals and/or requirements (such as income), which results in an Investment Policy Statement (either newly crafted or a review and possible revision of an existing IPS.) As part of that process, we analyze the Asset Allocation of the portfolio, and propose any recommended changes. We then work on implementation of their IPS/Asset Allocation Study, using research methodologies noted previously, identifying and funding managers which we believe to best meet the Client's IPS and risk profile.

#### Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. In addition, the investment managers and/or funds that we recommend are also subject to the same domestic and global economic variables, and therefore are subject to the same risk of loss. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way a guarantee of future performance.

#### **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Hyas Group or the integrity of Hyas Group's management. Hyas Group has no information applicable to this Item.

#### **Item 10 - Other Financial Industry Activities and Affiliations**

Hyas Group does not receive revenue from any money management firms, recordkeepers or other retirement plan service providers. Our only compensation is that which we receive directly from our clients.

Hyas Group and its representatives may provide services to clients that are not investment advisory in nature. These services may include reporting on investments and account or plan assets, consulting on noninvestment matters, education, vendor search projects, and performance review and evaluation.

### **Item 11 - Code of Ethics**

Hyas Group has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our supervised persons are expected to adhere strictly to these guidelines. Persons associated with our firm are required to report any violations of our Code of Ethics.

#### Participation or Interest in Client Transaction

From time-to-time the interests of the principals and employees of Hyas Group may coincide with those of a client. Funds and/or individual securities may be bought, held or sold by a principal or employee of Hyas Group that is also recommended in a model portfolio or held by a client. If potential insider information is inadvertently provided or learned by a principal or employee, it is the policy of Hyas Group to strictly prohibit its use.

It is the policy of Hyas Group to permit the firm, its employees and IARs to buy, sell and hold the same investments that the IAR also recommend to clients. It is acknowledged and understood that Hyas Group performs investment services for various clients with varying investment goals and risk profiles. As such, the investment advice may differ between clients and investments made by Hyas Group IARs. Hyas Group has no obligation to recommend for purchase or sale an investment that Hyas Group, its principals, affiliates, employees or IARs may purchase, sell, or hold. When a decision is made to change an asset allocation recommendation, priority would always be given to the client's orders before those of a related or associated person to the advisor. Hyas Group has procedures dealing with insider trading, employee related accounts, "front running" and other issues that may present a potential conflict when such purchase, sales or recommendations are made. In general, these policies and procedures that are contained in the company's Code of Ethics and Compliance Manual, are intended to eliminate, to the extent possible, the adverse effect on clients of any such potential conflicts of interest.

#### Pay to Play

In response to the SEC's rule regarding political contributions to candidates and possible pay to play scenarios, it is our policy to allow only up to \$350 per election in personal contributions to candidates within one's voting district and \$150 per election to an elected official or candidate for whom the individual is not entitled to vote. These are the exceptions for de minimis contributions as defined by the SEC.

Hyas Group will provide a copy of its Code of Ethics to clients or prospective clients upon their request.

### **Item 12 - Brokerage Practices**

Hyas Group does not have any business interests with any brokerage firms nor do they receive any soft dollars or other compensation for recommending any brokerage firms, custodians, mutual funds, or investment managers.

For those accounts over which we have discretion, having the client assets held at one custodian, whether bank, trust company, or brokerage firm, enables us to manage the portfolio, including review, place trades, compile performance reports, and answer client questions, in as efficient manner as possible. If the client doesn't currently have a custodian, we may recommend a custodian, one possible option being Charles Schwab. But as stated above, we receive no compensation for recommending Charles Schwab or any other custodian. Schwab has been recommended as they provide an extensive mutual fund platform and nearly all our investment managers have trading agreements with Schwab. In addition, they have a robust internet presence, including trading software, custodial information easily accessed by Hyas Group and the clients, a strong support staff assisting with trading, client and technology servicing questions and issues.

#### Directed Brokerage

If a client has an established relationship with a custodian, we will place trades with that custodian, which is considered directed brokerage. This directed brokerage arrangement potentially (1) limits Hyas Group's ability to seek best execution and negotiate commissions; (2) limits the clients' ability to participate in aggregated trades; and, as a result, (3) may cost the client more money.

#### Trade Allocation

Hyas Group has a Trade Allocation Policy, which addresses allocating securities, including IPOs and Private Placements, and/or recommendations among clients. The formula must provide a fair and equitable basis for allocations and be consistently applied to all clients. Prior to the allocation of securities by Hyas, we will determine if a client's investment objectives and suitability requirements qualify the client for participation in purchasing a specific security, IPO or Private Placement. If the client qualifies for participation in the purchase of a specific security, IPO or Private Placement, Hyas Group will allocate a certain percentage of the total allocation to each qualified client based upon the following formula:

The formula is based upon dividing the total shares or amount allocated by the total number of qualified clients and their assets under management. For example, if the total allocation to Hyas Group is 1,000,000 shares and Hyas Group has ten (10) clients that qualify for a percentage of the allocation and each client has a total of \$1,000,000 under management with Hyas Group, each client will receive an allocation of 100,000 shares.

Note that Hyas Group may exclude certain clients from the allocation if the trade allocation would be "de minimus" or so small as not to be in the client's best interest.

#### **Item 13 - Review of Accounts**

Performance reports are produced for the client either on a quarterly, semi-annual, or annual basis with the nature and format of the review process matched to the type of plan (Defined Contribution, Defined Benefit, Endowment, etc.) and the unique needs of each client. Frequency of reports is addressed in each client's agreement with Hyas Group. Broadly defined, the process covers a review of the plan's asset allocation or plan construction, individual investment manager and total account performance reviews, plan utilization rates and participant account balances, and review of investment costs. Client

reports are designed to clearly reflect manager and account performance relative to the client's specific investment policy. Performance reports contain a comprehensive evaluation of the plan's investment options relative to investment policy. Color graphics illustrates manager diversification, historical asset allocation and performance versus the relevant indices over differing lengths of time. A statistical section provides an analysis of manager characteristics including sector/quality exposure and market weights. Interpretive text shows how these characteristics impact risk and return and what that means to the investment program.

Our reports include global market commentaries at the end of each calendar quarter. These commentaries provide a broad economic and market overview as well as specific fixed income, equity and international risk and return insight.

Further, the Hyas Group closely monitors plan utilization rates and average participant account balances to assess each plan's investment and structural effectiveness. We provide comparative statistics for similar sized plans as well as a calculated, overall plan and asset class returns for each of our client accounts each quarter. This plan return allows for further comparison of the equity and fixed income participant investment weightings and demonstrates the offered investment options compare, on the whole, to those offered by other clients and industry averages.

The client performance reports are compiled by various analytical staff members of the firm with final reviews completed by Jayson Davidson, Managing Director of Consulting Services and Senior Consultant; Dale Parker, Director of Analytical Services; Brian Loescher, Director of Research; Greg Settle, Senior Consultant; Scott Faris, Senior Consultant; and Vincent Galindo, Senior Consultant.

#### **Item 14 - Client Referrals and Other Compensation**

Hyas Group does not compensate any client or person for client referrals.

#### **Item 15 - Custody**

Hyas Group does not maintain custody of client funds or securities. Client assets are held by mutual fund companies, banks, trust companies, brokerage firms, or other custodial institutions.

Client is urged to compare the statements it receives from the custodian with the reports it receives from Hyas.

#### **Item 16 - Investment Discretion**

Hyas Group has received discretionary authority from a few clients at the outset of the advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Hyas Group observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies,

Hyas Group's authority to trade securities may also be limited by certain federal securities and tax laws that require diversifications of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Hyas Group in writing.

### **Item 17 - Voting Client Securities**

Hyas Group provides investment management services to clients that include, among others, corporate and public pension plans, foundations, and endowments. Unless otherwise stated in the client agreement, Hyas does not vote proxies for clients. For those clients over which Hyas has discretion and therefore has proxy voting authority, Hyas considers proxy voting an important part of those management services. As such, Hyas seeks to vote the proxies of mutual funds and/or securities held by clients in the best interest of those clients.

Hyas believes the best interests of clients are served by voting proxies in a way that maximizes long term shareholder value. Therefore, the investment professionals responsible for voting proxies have the discretion to make the best decision given the individual facts and circumstances of each issue. Proxy issues are evaluated on their merits and considered in the context of the professional's knowledge of a mutual fund or company, its current management, management's past record and Hyas's general position on the issue.

As the management of a portfolio company is responsible for its day-to-day operations, Hyas believes that management, subject to the oversight of the relevant board of directors, is often in the best position to make decisions that serve the interest of shareholders. However, Hyas votes against management on proposals where it perceives a conflict may exist between management and client interests, such as those that may insulate management or diminish shareholder rights. Hyas Group also votes against management in other cases where the facts and circumstances indicate that the proposal is not in its clients' best interests.

Upon client request, Hyas will provide reports of its proxy voting record as it relates to the securities held in the client's account(s) for which Hyas has proxy voting authority.

### **Item 18 - Financial Information**

Hyas Group does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Additionally, we must disclose any financial condition that could impair our ability to fulfill our agreement with our clients. Hyas Group has no such financial condition to disclose. Neither have we even been the subject of any bankruptcy proceeding.

## **Additional Information**

### Privacy Statement

We, like other professionals who advise on personal financial matters are required by federal law to inform their clients of their policies regarding the privacy of client information.

In the course of providing our clients with certain advice, we may receive nonpublic personal financial information from our clients, their accountants and other representatives, such as financial statements, tax returns and other personal information. All nonpublic personal information that we receive regarding our clients or former clients is held in strict confidence in accordance with our professional obligations, and is not released to people outside the Firm, except with your consent or as required by law or to explain our actions to professional organizations that we are members of. We may share certain information with third parties who assist us in providing our services to you (such as administrative and client service functions) or marketing services, as permitted by law, subject to the obligation of these third parties not to use or disclose such information for any other purpose.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases to comply with professional guidelines. In order to guard your nonpublic personal information from unauthorized disclosure, we maintain physical, electronic and procedural safeguards.

If your financial situation, goals or risk tolerance has changed since you last notified us in writing, please contact us immediately.



Form ADV Part 2B,  
Brochure Supplement

**Hyas Group, LLC**  
108 NW 9th Avenue, Suite 203  
Portland, OR 97209  
971-634-1500  
SEC File No. 801-69938  
CRD Number 149122

September 1, 2016

This brochure provides information about the qualifications and business practices of Hyas Group LLC ("Hyas" or "Adviser"). If you have any questions about the contents of this brochure, please contact us at 971-634-1500 or [mruppelt@hyasgroup.com](mailto:mruppelt@hyasgroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Hyas Group, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Hyas Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 1

**Jayson Allen Davidson**

This Brochure Supplement provides information about Jayson Davidson that supplements the Hyas Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Michele Ruppelt, Chief Compliance Officer, if you did not receive Hyas Group's Brochure or if you have any questions about the contents of this supplement.

Additional information about Jayson Davidson is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2 - Educational Background and Business Experience

Born: 1973

Education after High School: Bachelor of Science, University of California at Berkeley, 1996

Business background:

2008 - present, Managing Partner and Director of Consulting Services at Hyas Group, LLC.

2002 - 2008, Senior Investment Consultant at Arnerich Massena & Associates.

1997 - 2002, Consultant at ICMA-RC

Professional Designations: Mr. Davidson has earned the right to use the Chartered Financial Analyst (CFA) designation. Additionally, he is a member of the Charter Financial Analyst (CFA) Institute and the National Association of Government Defined Contribution Administrators (NAGDCA).

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No information is applicable to this Item.

Item 4- Other Business Activities

No information is applicable to this Item.

Item 5- Additional Compensation

No information is applicable to this Item.

Item 6 - Supervision

Mr. Davidson's work, including investment advice and interaction with clients is monitored periodically by review of his client's performance reports, written correspondence and e-mail, by the Chief Compliance Officer, Michelle Ruppelt.

Item 1

**Brian James Loescher**

This Brochure Supplement provides information about Brian Loescher that supplements the Hyas Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Michelle Ruppelt, Chief Compliance Officer if you did not receive Hyas Group's Brochure or if you have any questions about the contents of this supplement.

Additional information about Brian Loescher is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2 - Educational Background and Business Experience

Born: 1969

Education after High School: Bachelor of Science, Finance, University of Nebraska, 1993

Business background:

2009 - present, Managing Partner, CIO and Director of Research at Hyas Group, LLC.

1999 - 2009, Director of Research at Arnerich Massena & Associates.

1997 - 1999, Research Analyst at R.V. Kuhns & Associates

1995 - 1997, Performance Systems specialist, West One Trust Co.

Professional Designations: Mr. Loescher has earned the right to use the Chartered Financial Analyst (CFA) designation and is a member of the Portland Society of Financial Analysts, Portland Alternative Investment Association and the CFA Institute.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

No information is applicable to this Item.

Item 5- Additional Compensation

No information is applicable to this Item.

Item 6 - Supervision

Mr. Loescher's work, including investment advice and interaction with clients is monitored periodically by review of his client's performance reports, written correspondence and e-mail, by the Chief Compliance Officer, Michelle Ruppelt, and Director of Consulting Services, Jayson Davidson.

Item 1

**Gregory Thomas Settle**

This Brochure Supplement provides information about Greg Settle that supplements the Hyas Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Michelle Ruppelt, Chief Compliance Officer if you did not receive Hyas Group's Brochure or if you have any questions about the contents of this supplement.

Additional information about Greg Settle is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2 - Educational Background and Business Experience

Born: 1957

Education after High School: Bachelor of Science, Portland State University, 1983

Business background:

2010 - present, Investment Consultant at Hyas Group, LLC.

2008 - 2010, Consultant at Aon Investment Consulting

2007 - 2007, Consultant at Northwest Capital Management

1992 - 2007, Consultant (1992-1996) and Vice President (1997-2007) at ICMA RC

1988 - 1992, Director, Deferred Compensation Plan Services, The New England Co.

1984 - 1988, Representative, The Holden Group/Security First Group

Professional Designations: Mr. Settle has passed the Chartered Financial Analyst (CFA) Exam 1 (of 3).

Additionally he is a member of National Association of Government Defined Contribution Administrators (NAGDCA). He currently holds the Ser. 65 license and has passed the NASD Series 7, 63 and 28 exams, though those designations were allowed to lapse when Mr. Settle entered the consulting industry in 2007.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

No information is applicable to this Item.

Item 5- Additional Compensation

No information is applicable to this Item.

Item 6 - Supervision

Mr. Settle's work, including investment advice and interaction with clients is monitored periodically by review of his client's performance reports, written correspondence and e-mail, by the Chief Compliance Officer, Michelle Ruppelt, and Director of Consulting Services, Jayson Davidson.

Item 1

**Scott Allen Faris**

This Brochure Supplement provides information about Scott Faris that supplements the Hyas Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Michelle Ruppelt, Chief Compliance Officer if you did not receive Hyas Group's Brochure or if you have any questions about the contents of this supplement.

Additional information about Scott Faris is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2 - Educational Background and Business Experience

Born: 1953

Education after High School: Bachelor of Science, Montana State University, 1977  
J.D., William Mitchell College of Law, 1988

Business background:

2011 - present, Investment Consultant at Hyas Group, LLC.

2008 - 2011, Consultant, Towers Watson Investment Services

2005 - 2008, Consultant, Principal, Northwest Capital Management

1997 - 2005, Consultant, Arnerich Massena & Associates

1990 - 1997, Associate, William M. Mercer

Professional Designations: Mr. Faris has earned the right to use the Chartered Financial Analyst (CFA) designation. Additionally, he is a member of the Charter Financial Analyst (CFA) Institute and the National Association of Government Defined Contribution Administrators (NAGDCA).

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No information is applicable to this Item.

Item 4- Other Business Activities

No information is applicable to this Item.

Item 5- Additional Compensation

No information is applicable to this Item.

Item 6 - Supervision

Mr. Faris' work, including investment advice and interaction with clients is monitored periodically by review of his client's performance reports, written correspondence and e-mail, by the Chief Compliance Officer, Michelle Ruppelt, and Director of Consulting Services, Jayson Davidson.

Item 1

**P. Vincent Galindo**

This Brochure Supplement provides information about Vincent Galindo that supplements the Hyas Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Michelle Ruppelt, Chief Compliance Officer if you did not receive Hyas Group's Brochure or if you have any questions about the contents of this supplement.

Additional information about Vincent Galindo is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2 - Educational Background and Business Experience

Born: 1970

Education after High School: Bachelor of Arts, University of California at Berkeley, 1995

Business background:

2014 - present, Investment Consultant at Hyas Group, LLC.

2005 - 2014, Investment Consultant, Arnerich Massena & Associates

2004 - 2005, Education Consultant, Arnerich Massena & Associates

2003 - 2004, Investor Information Coordinator, Oregon Division of Finance & Corporate Securities

2001 - 2003, Financial Advisor, Waddell & Reed Inc.

1999 - 2001, Analyst, Thomas Weisel Partners

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No information is applicable to this Item.

Item 4- Other Business Activities

No information is applicable to this Item.

Item 5- Additional Compensation

No information is applicable to this Item.

Item 6 - Supervision

Mr. Galindo's work, including investment advice and interaction with clients is monitored periodically by review of his client's performance reports, written correspondence and e-mail, by the Chief Compliance Officer, Michelle Ruppelt, and Director of Consulting Services, Jayson Davidson.

Item 1

**Edward "Ned" Kenneth Taylor**

This Brochure Supplement provides information about Ned Taylor that supplements the Hyas Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Michelle Ruppelt, Chief Compliance Officer if you did not receive Hyas Group's Brochure or if you have any questions about the contents of this supplement.

Additional information about Ned Taylor is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2 - Educational Background and Business Experience

Born: 1975

Education after High School: Bachelor of Arts, Willamette University, Salem, Oregon, 1997

Business background:

2016 - present, Investment Consultant at Hyas Group, LLC.

2010 - 2016, Investment Consultant, Standard Retirement Services

2008 - 2016, Registered Investment Advisor, Stancorp Investment Advisers

2006 - 2016, Registered Representative, Stancorp Equities

2001 - 2005, Financial Advisor, Columbia Financial Center

1998 - 2001, Retirement Plan Consultant, Executive Financial Group

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

No information is applicable to this Item.

Item 5- Additional Compensation

No information is applicable to this Item.

Item 6 - Supervision

Mr. Taylor's work, including investment advice and interaction with clients is monitored periodically by review of his client's performance reports, written correspondence and e-mail, by the Chief Compliance Officer, Michelle Ruppelt, and Director of Consulting Services, Jayson Davidson.

Item 1

**Rasch Michael Cousineau**

This Brochure Supplement provides information about Rasch Cousineau that supplements the Hyas Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Michelle Ruppelt, Chief Compliance Officer if you did not receive Hyas Group's Brochure or if you have any questions about the contents of this supplement.

Additional information about Rasch Cousineau is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2 - Educational Background and Business Experience

Born: 1972

Education after High School: Bachelor of Arts, Marist College, Poughkeepsie, NY, 1994

Business background:

2016 - present, Investment Consultant at Hyas Group, LLC.

1997 - 2016, V.P., Institutional Sales, ICMA-RC Services

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No information is applicable to this Item.

Item 4- Other Business Activities

No information is applicable to this Item.

Item 5- Additional Compensation

No information is applicable to this Item.

Item 6 - Supervision

Mr. Cousineau's work, including investment advice and interaction with clients is monitored periodically by review of his client's performance reports, written correspondence and e-mail, by the Chief Compliance Officer, Michelle Ruppelt, and Director of Consulting Services, Jayson Davidson.

Item 1

**Thomas Joseph Breaden**

This Brochure Supplement provides information about Tom Breaden that supplements the Hyas Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Michelle Ruppelt, Chief Compliance Officer if you did not receive Hyas Group's Brochure or if you have any questions about the contents of this supplement.

Additional information about Tom Breaden is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2 - Educational Background and Business Experience

Born: 1982

Education after High School:

Bachelor of Science in History and Economics, University of Oregon, Eugene, OR 2004

Master of Science in Economics, Portland State University, Portland, OR 2007

Business background:

2011 - present, Senior Analyst at Hyas Group, LLC.

2006 - 2011, Director of Research, Heintzberger Payne

Professional Designations: Mr. Breaden has earned the right to use the Chartered Financial Analyst (CFA) designation and is a member of the Portland Society of Financial Analysts, Portland Alternative Investment Association and the CFA Institute.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No information is applicable to this Item.

Item 4- Other Business Activities

No information is applicable to this Item.

Item 5- Additional Compensation

No information is applicable to this Item.

Item 6 - Supervision

Mr. Breaden's work, including investment advice and interaction with clients is monitored periodically by review of his client's performance reports, written correspondence and e-mail, by the Chief Compliance Officer, Michelle Ruppelt, and Director of Consulting Services, Jayson Davidson.

## SECTION 6

## CLIENT REFERENCES

Unlike many of our competitors, the Hyas Group is a specialized consulting firm and institutional investment consulting is our only business. We believe that our experience and dedication to high-quality client service sets us apart—and in some ways this can only be measured by evaluating client satisfaction and retention rates. It is important to note that we have never lost a retirement plan client.

Our client satisfaction surveys have produced exemplary feedback. Our retainer services go well beyond traditional investment consulting. Our role as plan advisor encompasses governance best practices, benchmarking reporting (fees, investments, and services), and assistance with fiduciary-oriented compliance such as committee training, interpretation of DOL-required fee disclosures, and advice regarding plan utilization. We encourage the City to contact any of our clients regarding the value we bring to their plans and participants.

Client: **City of Phoenix, Arizona**  
Client Contact: Ms. Yolie Briseno, Senior Benefits Analyst  
Calvin C. Goode Building  
7th floor/Benefits  
251 W. Washington St.  
Phoenix, Arizona 85003  
(602) 534-2202  
[yolanda.briseno@phoenix.gov](mailto:yolanda.briseno@phoenix.gov)

Client: **Richmond Retirement System**  
Client Contact: Mr. Leo Griffin, Executive Director  
730 E. Broad Street Suite 900  
Richmond, Virginia 23219  
(804) 646-5835  
[leo.griffin@richmondgov.com](mailto:leo.griffin@richmondgov.com)

Client: **City of Milwaukie, Oregon**  
Client Contact: Mr. Gary Rebello, Human Resources Director  
10722 SE Main Street  
Milwaukie, Oregon 97222  
(503) 786-7506  
[rebellog@milwaukieoregon.gov](mailto:rebellog@milwaukieoregon.gov)

## SECTION 7



## THE 457 PLAN FIDUCIARY *Advisor* Third Quarter 2016

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**New DOL Fiduciary Rules Clarified at NAGDCA Conference-** Susan White, Legislative Counsel for NAGDCA, spoke at the recent NAGDCA annual conference in Denver and revealed the results of conversations between NAGDCA and the Department of Labor about how the new fiduciary rules will impact 457 Plan Sponsors. A key clarification discussed was that while the new rules will label as a fiduciary those who provide advice to governmental retirement plan participants regarding roll-overs to IRA's or other tax-advantaged retirement plans, they will not be considered fiduciaries to the *Plan*, but only fiduciaries to the *participant involved*. More details on Ms. White's presentation can be found at the following link (registration may be required):

<http://www.nagdca.org/Portals/45/2016Annual/2016%20conference%20presentations/Legislative%20Advocacy%20Success.pdf>

**Legal Community Searching for New DC Plan Litigation Targets-** Recent articles in various publications have shown how some law firms are broadening their field of "excessive fee" and "fiduciary neglect" lawsuit targets. Previous to this year, lawsuits against small 401(k) plans were rare, and suits against 403(b) plans were even less common. As the number of attorneys pursuing such cases increases, the risk to governmental plan sponsors that have not addressed the issue of fiduciary oversight can only be growing. Articles about recent actions against smaller 401(k) plans and 403(b) plans at universities are here; [401\(k\) Plans Still in the Crosshairs: New Cases Challenge Plan Fees](#) and here: [Mr. Schlichter Goes to College: Universities Are the Newest Target for Excessive Fee Lawsuits](#)

**New Focus by Litigators on High or Inappropriate Investment Fees: Stable Value Funds-** Most of the focus on excessive fund fees in DC plans has been about plans providing mutual funds with high, retail-style expense ratios, even when institutional versions of similar funds are available at lower cost. However, this year has seen claims of excessive fees being charged for managing stable value funds, in which the net revenue to the providing firms are often harder to determine. Overviews of actions against leading providers of stable value products are here; [Class Certified in ERISA 'Unreasonable Compensation' Case](#) and here: [Stable Value Fees Again Draw Excessive Fee Suit](#)

**SEC Adopts Final Mutual Fund Liquidity Rules Which May Impact DC Plans-** The SEC has recently adopted a new set of liquidity rules, that call for implementing the use of "swing pricing" to respond to high trading volume in mutual funds. In this way, the high costs associated with such volume surges may be paid for with higher pricing being made effective for those high-volume days, which should in theory reduce overall costs for stable, long term investors. More can be read about the new rules here: [<READ MORE>](#)

## **New Money Market Rules See \$Billions Move From Prime to Government Funds-**

The interest rate paid by many "prime" money market funds that hold commercial paper has shot up as demand for these assets has dropped. Money market investors are moving to government-only money market funds to escape the possibility of liquidity constraints and redemption fees. The result is higher rates for the assets remaining in commercial paper, and downward pressure on already historically low returns on short-term debt issued by governments. Read the article from Bloomberg here:

**<http://www.bloomberg.com/news/articles/2016-09-13/there-s-a-300-billion-exodus-ahead-as-new-money-fund-era-dawns>**

### Contact:

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Rasch Cousineau  
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(971) 634-1514

Scott Faris, CFA  
[sfaris@hyasgroup.com](mailto:sfaris@hyasgroup.com)  
(971) 634-1507

Vincent Galindo  
[vgalindo@hyasgroup.com](mailto:vgalindo@hyasgroup.com)  
(971) 634-1511

Greg Settle  
[gsettle@hyasgroup.com](mailto:gsettle@hyasgroup.com)  
(360) 866-9327

Ned Taylor  
[ntaylor@hyasgroup.com](mailto:ntaylor@hyasgroup.com)  
(971) 634-1498

This report is being provided for informational purposes only. The information and opinions presented in this report do not constitute investment advice and have been obtained from sources believed by Hyas Group to be reliable. Hyas Group makes no representation as to their accuracy or completeness. All opinions expressed herein are subject to change.

## SECTION 8

# Fiduciary Fundamentals

Sample Client

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HYAS GROUP

# Fiduciary Responsibility

## Agenda

- Background
- Who is a fiduciary?
- Fiduciary duties
- Meeting fiduciary responsibilities
- Guidance from ERISA §404(c)
- Risks and protections

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## **Background: About ERISA**

- 1974: Employee Retirement Income Security Act
  - > Ford Administration; enacted on Labor Day
  
- Why?
  - > Abuses of existing law by some firms and unions
  - > Assets being misused
  - > Ten-year “Cliff Vesting” resulting in many never gaining a pension
  - > Confusion of conflicting state laws
  
- The Result: An approach that blends State trust laws to form a national standard for benefit plan definition and administration
  
- For the public sector, a convenient guide to best practices and accepted methods for plan design and operation

## **Why ERISA?**

- Convenience: It is a comprehensive guide, with much information
- It is considered to be a high standard
- It is believed by many to be a model that the courts will look to for guidance when considering non-ERISA cases
- It is continually updated to reflect changing realities in the retirement plan and investment environment
- Many States follow ERISA closely and in some instances even call out certain statutes

## **Public Sector Retirement Plan Fiduciary Oversight Milestones**

- **1994:** Orange County bankruptcy and 457 plan investment scandal
- **1996:** Federal Law passed placing 457 plan assets into “trust” status
- **2002:** EGTTA legislation eliminated most differences between 457 plans and private sector 401(k) plans
- **2006:** Pension Protection Act; congress vows to make many public employer plans “more like 401(k) plans”
- **2008-Present:** Litigation over failure to oversee retirement plans increases, with most actions involving investments and fees

## Who is a Fiduciary?

- Anyone with discretionary authority or control over the administration of a retirement plan or its assets
  
- Fiduciary by name:
  - > Plan Sponsor
  - > Trustee
  - > Named Administrator
  
- Fiduciary by action: Anyone who acts as a fiduciary can be considered a fiduciary:
  - > A Committee appointed by the Board, Trustees or Council
    - > Anyone administering the Plan
    - > Anyone selecting investment and service providers
    - > Anyone giving investment advice for a fee (to Plan or Plan participants)
    - > As of April 2017, the Department of Labor is expanding the definition of a fiduciary (additional details provided on page 21)

## **What is a Plan Fiduciary?**

- **Persons who, by either function or appointment, have discretionary authority over plan assets and/or administration**
  
- **Fiduciary Functions:**
  - > Selecting, retaining or terminating record-keepers/plan administrators
  - > Selecting, retaining, or terminating investment options
  - > Processing and submitting participant contributions
  - > Negotiating fees and expenses for plan services and investment
  
- **Must be more than “Ministerial”:**
  - > Maintaining records and other administrative roles are not covered
  - > Processing payroll may qualify though, if decisions can delay deposits

# Fiduciary Duties

## **Duty of Loyalty:**

1. Act solely in the best interests and for the exclusive benefit of plan participants
2. Defray plan expenses in a reasonable manner
3. No self-dealing

## **Duty of Prudence:**

1. Act with care and diligence of an expert
2. Procedural prudence - follow a prudent/reasonable process
3. Diversify investments to minimize the risk of large losses

## **Duty to Follow Plan Document:**

1. Comply with Federal and State laws
2. Operate the plan in accordance with the written plan document

## Duty of Loyalty

- Must not place own interests over those of the participant
- Avoid self-dealing
- Must not cause the plan to engage in transactions between the plan and a party in interest:
  - › Parties in interest: Fiduciaries, trustees, plan counsel, employees or related persons
- Operate the plan for the exclusive purpose of providing benefits and offsetting reasonable expenses

## **Duty of Loyalty (cont.)**

- Plan expenses may be charged to the plan and it is the fiduciary's responsibility to decide which expenses to charge and whether they are reasonable
- Department of Labor (DOL) has issued guidance on what might constitute an appropriate plan expense, but they have been very limited in their guidance of what would be considered reasonable

## Duty of Prudence

- A fiduciary must execute his/her duties with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with such matters would use:
  - > Referred to as the “prudent expert” rule because of the familiarity assumption
  - > Follow a prudent process (procedural prudence concept)
  - > Allows for the hiring of “experts” to assist
  - > Experts must be prudently selected and monitored
  
- A fiduciary must diversify the investments in the plan to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so

## **Duty to Follow Plan Documents**

- Must oversee and make sure the plan operates in compliance with the plan document, trust agreements and/or other documents
  
- Fiduciaries should be familiar with:
  - > Plan documents
  - > Federal and State law in relations to the documents

## **Plan Design and Administration Issues**

- Design the plan and fee allocation to be fair to all participants
- Establish appropriate rules and policies for participants
- Enforce plan rules consistently
- Communicate rules, policies and amendments to participants
- Review plan documents at least annually to ensure compliance
- Review trust, custodial and other service agreements regularly

## **Plan Governance**

- Establish roles, rules and procedures for Committee functions
- Follow a prudent process when making decisions
- Select and train qualified people to serve on Committee
- Hold regular meetings
- Document decisions and keep minutes of fiduciary meetings

## **Investment Responsibilities**

- ❑ Create an Investment Policy Statement (IPS) that reflects the plan objective and clarifies the responsibilities of all parties
- ❑ Determine types of investment options to be offered:
  - > Number of asset classes
  - > Diversification
  - > Target-date funds
  - > Managed accounts
- ❑ Develop criteria for selecting, monitoring and removing investments and investment managers/advice providers
- ❑ Set guidelines for appropriate actions

## Duty to Diversify

### • The “Diversification Rule”:

- > “A fiduciary must diversify investments in order to minimize risk of loss unless it would be considered prudent not to diversify investments”

### • For Defined Contribution Plans with Self-Direction of Investments by Participants:

- > The duty is to provide sufficient investment options such that participants are able to construct a diversified portfolio from plan options
- > ERISA § 404(c) is an accepted guide to minimums, but only requires three options
- > Fiduciaries must balance the needs of diversification with the potential negative impacts of offering too many choices

## **Selection and Monitoring of Service Providers**

- All contracts should be in best interest of plan participants
- Competitive bid or search process should be based on objective criteria
- Follow a prudent process and be able to justify contract awards
- Establish appropriate performance standards
- Evaluate contractors regularly
- Have reasonable basis for determining appropriateness of provider fees:
  - > Benchmarking
  - > RFP

## ERISA §404(c)

- Relieves fiduciaries from responsibility where participants control their accounts and certain requirements are met
  
- US DOL Regulations set forth what constitutes effective control:
  - > Offer a broad range of investment options:
    - At least 3 diversified choices with materially different risk/return
    - At least one safety of principal option
  - > Provide for flexibility of investment transfers
  - > Provide information to participants
  
- Qualified Default Investment Alternative (QDIA) rules can provide added protection/waivers where additional criteria are met:
  - > Diversified investment option - balanced, life cycle/target date, or managed account
  - > Set automatic investment parameters

## **ERISA §404(c) (cont.)**

- Fiduciaries are not relieved from the duty to:
  1. Select an appropriate menu of options
  2. Select investment managers and service providers
  3. Monitor performance of managers and services providers

# Fee Disclosures

## Participant Disclosures:

- General plan information
- Administrative expenses
- Investment information:
  - > Performance
  - > Fees and expenses
- In practice, disclosure is created by the record keeper; however, a fiduciary must approve it

## Plan Sponsor Disclosures:

- Required of service providers (e.g. record keeper, consultant)
- Description of services, fiduciary status and fees for each provider
- Determine that fees are reasonable for services provided

## **Committee Functions - Summary of Committee Responsibilities**

- Fiduciary review of investments
- Fiduciary review of service providers
- Authorize changes to investments
- Authorize changes to investment providers
- Create or approve design of education/counseling programs
- Review and approval of hardship withdrawal requests
- Monitoring of fees and expenses

# **New Department of Labor Conflict of Interest Regulation**

- Expands definition of fiduciary to include those that provide recommendations regarding distributions from the Plan
  - IRA providers
  - Call center representatives
  - On-site education
  
- Additional focus on participant education and parameters
  - Potential biases
  - Confirmed education is acceptable
  
- Creates new plan sponsor responsibilities
  - Monitor some distribution “providers”
  - Monitor education and asset allocation models

## Risk and Protection for Fiduciaries

- What is at *RISK*?:
  - > Cost of fiduciary breach
  - > Penalties and taxes
  - > Personal liability
  - > Public relations problems
  
- Plan document /plan sponsor should protect fiduciaries from personal liability to the extent allowed by law:
  - > State law may provide certain protections
  - > Seek indemnification from employer
  - > Evaluate fiduciary insurance and bonding needs

# Questions ?

## Case Study #1

The Committee has received a request from a plan participant to add a particular real asset fund to the 457 plan that has recently been performing very well. You actually know of the specific fund because you have invested in it through your IRA and it has performed very well for you. You have recently been considering adding more money to the fund.

As a Committee Member, do you vote to add the fund?

- A. Yes - Because you know the fund and it has done very well for you
- B. No - You abstain from voting because you don't feel you can be objective about the decision, given your personal experience with the fund
- C. Maybe - Discuss whether real asset funds are appropriate for your Plan's participants based on their investment knowledge

## Case Study #2

As a Fiduciary Committee Member, you are approached by the plan's record keeper. He offers you two different share classes of the same mutual fund. One has an expense ratio of .70% annually, but rebates back .25% to the plan to help offset record keeping expenses. The other has an expense ratio of .55%, but rebates nothing to help offset expenses.

Which one do you choose?

- A. The less expensive one because it is cheaper for participants
- B. The more expensive one because revenue sharing pays all the plan's administrative expenses
- C. Neither until you have assessed fee reasonableness and method for allocating plan expenses

## Case Study #3

As a Fiduciary Committee Member, it has come to your attention that in May of 2016 your Plan recordkeeper's phone service representatives have been recommending that separating participants should roll their Plan assets into a proprietary IRA when the participants call into the call center.

What should you do?

- A. Nothing, because separating participants are not the Committee's problem
- B. Terminate the recordkeeper
- C. Quit the Committee
- D. Contact the recordkeeper and inquire if they are following the new fiduciary standards and are in compliance with the Best Interest Contract Exemption

## Case Study #4

Your Committee has identified an investment manager that is not performing in-line with expectations contained in the Investment Policy Statement.

What should you do?

- A. Replace the manager immediately
- B. Identify the reasons for failure to meet expectations
- C. Consult the Investment Policy Statement for a watch list procedure and follow it
- D. Both B. + C.
- E. None of the above

## Case Study #5

You have just received a fee and service disclosure from the plan's recordkeeper.

What should you do?

- A. File it
- B. Forward it to the other Committee members
- C. Review it, making sure it contains all the required elements and that the fees you are being charged are reasonable
- D. All of the above

## Case Study #6

As a fiduciary Committee Member, you have noticed that one of the other Committee Members rarely attends any of the meetings. This member also does not appear to make any effort to become informed about what they may have missed when not in attendance.

What should you do?

- A. Nothing since you have a quorum without this member
- B. Call the City Manager
- C. Discuss the issue with the Committee since members may be responsible for the conduct of others on the Committee
- D. Quit the Committee immediately

## Case Study #7

In spite of efforts to provide clear, concise communications to participants about the plan fees and structure, a participant continues to complain about the costs associated with the investments in the plan and claims everything is too expensive.

As a Committee Member, what would you do?

- A. Tell the participant to call the consultant
- B. Tell the participant to call his/her broker
- C. Discuss the situation with the full Committee and determine a course of action
- D. None of the above, participants are clueless

## SECTION 9

**Sample Client**  
**457 Deferred Compensation Plan**  
3Q2015 Performance Report

Mutual funds listed are for illustrative purposes only and not for recommendations

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**HYAS GROUP**

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**Section 1** Market Overview

**Section 2** Account Review

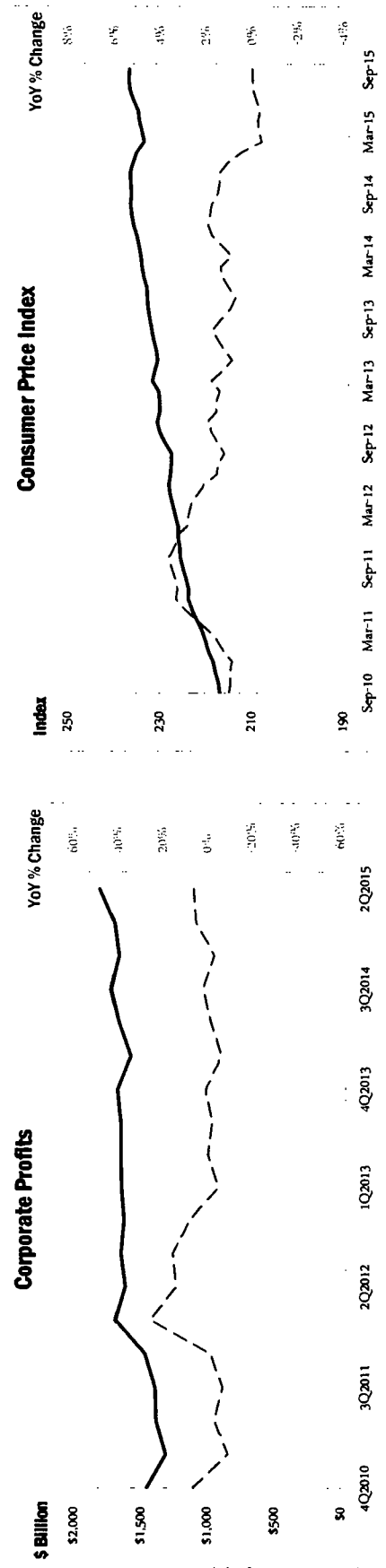
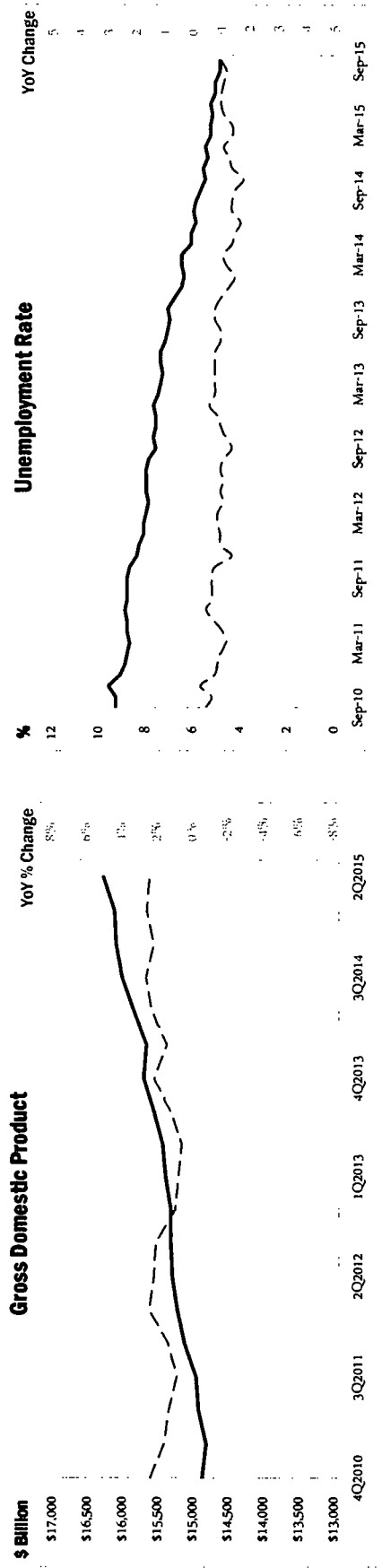
**Section 3** Investment Performance Review

**Section 4** Plan Fee/Revenue Review

**Section 5** Fund Attribution

# Section 1

# 3Q2015 Economic Data



Labor Market Statistics (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	5-Yr Avg.	Date
Jobs Added/Lost Monthly	142,000	423,000	35,000	201,300	Sep-15
Unemployment Rate	5.1%	9.8%	5.1%	7.4%	Sep-15
Median Unemployment Length (Weeks)	11.4	24.3	9.4	17.2	Sep-15
Average Hourly Earnings	\$25.09	\$25.10	\$22.74	\$23.87	Sep-15

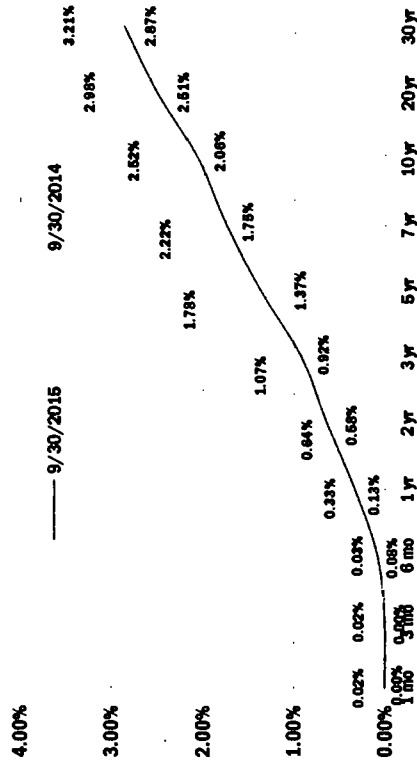
Other Prices and Indexes (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	% Off Peak	Date
Gas: Price per Gallon	\$2.37	\$3.90	\$2.14	-39.3%	Sep-15
Spot Oil	\$42.87	\$109.53	\$42.87	-60.9%	Aug-15
Case-Shiller Home Price Index	178.3	179.9	136.9	30.3%*	Jul-15
Medical Care CPI	446.8	446.8	391.3	14.2%*	Aug-15

\*% Off Low  
Source: Federal Reserve Bank of St. Louis and Bureau of Labor Statistics

# 3Q2015 Bond Market Data

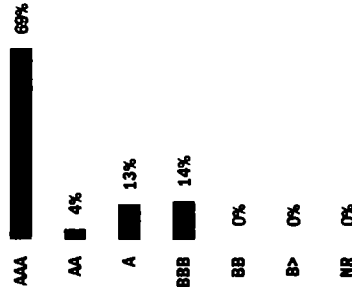
Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	0.02%	0.04%	0.04%	0.06%	0.07%	1.29%
Barclays US Aggregate	1.23%	1.13%	2.94%	1.71%	3.10%	4.64%
Barclays Short US Treasury	0.06%	0.15%	0.15%	0.14%	0.16%	1.50%
Barclays Int. US Treasury	1.24%	3.05%	3.05%	1.09%	1.92%	3.91%
Barclays Long US Treasury	5.08%	0.17%	8.80%	2.78%	6.22%	6.99%
Barclays US TIPS	-1.15%	-0.80%	-0.83%	-1.83%	2.55%	4.01%
Barclays US Credit	0.53%	-0.26%	1.50%	2.02%	4.05%	5.28%
Barclays US Mortgage-Backed	1.30%	1.61%	3.43%	1.98%	3.03%	4.71%
Barclays US Asset-Backed	0.74%	1.83%	2.38%	1.21%	2.12%	3.41%
Barclays US High Yield	-4.86%	-2.45%	-3.43%	3.51%	6.15%	7.25%
Barclays Global	0.85%	-2.25%	-3.26%	-1.59%	0.81%	3.71%
Barclays International	0.64%	-4.82%	-7.67%	-4.00%	-0.85%	2.98%
Barclays Emerging Market	-2.38%	0.30%	-1.43%	1.34%	4.66%	6.88%

## US Treasury Yield Curve



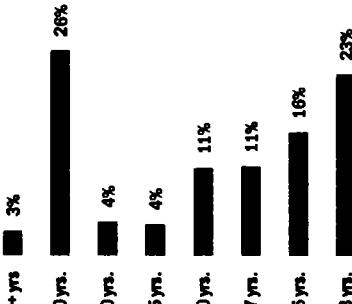
Source: Department of US Treasury

## Barclays US Aggregate Index Credit Quality



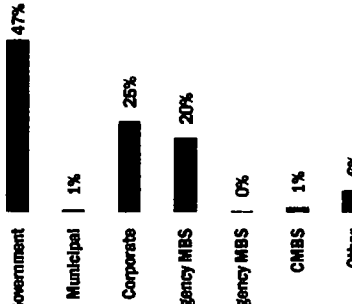
Source: Morningstar

## Barclays US Aggregate Index Maturity Breakdown



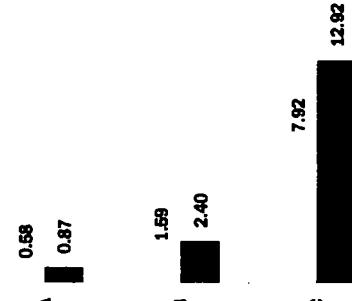
Source: Morningstar

## Barclays US Aggregate Index Sector Breakdown



Source: Morningstar

## US Corporate Credit Spreads



Source: Federal Reserve / Bank of America

# 3Q2015 US Equity Market Data

Sectors Weights/Returns (ranked by quarter performance)

Wgt.	Sector	QTR	1 Yr.
0%	Utilities	5.40%	6.57%
0%	Consumer Staples	-0.20%	7.10%
0%	Consumer Discretionary	-2.56%	13.18%
0%	Information Technology	-3.70%	2.12%
0%	Financials	-6.72%	-0.33%
0%	Telecom Services	-6.85%	7.91%
0%	Industrials	-6.90%	-3.65%
0%	Health Care	-10.67%	5.19%
0%	Materials	-16.90%	-17.98%
0%	Energy	-17.41%	-29.68%

Wgt.	Sector	QTR	1 Yr.
0%	Utilities	2.26%	1.38%
0%	Financials	-3.52%	10.61%
0%	Consumer Staples	-5.74%	7.76%
0%	Consumer Discretionary	-7.17%	7.28%
0%	Industrials	-10.23%	5.21%
0%	Information Technology	-10.65%	3.33%
0%	Health Care	-10.70%	16.30%
0%	Telecom Services	-14.65%	12.59%
0%	Materials	-15.48%	-14.60%
0%	Energy	-24.25%	-44.10%

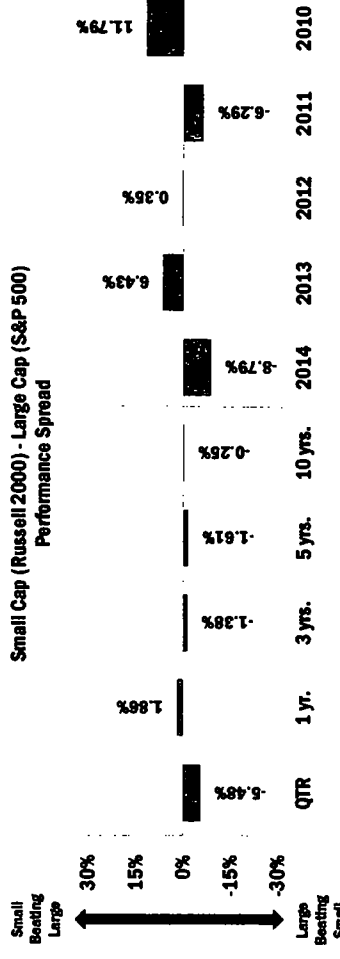
  

Wgt.	Sector	QTR	1 Yr.
0%	Utilities	9.77%	21.02%
0%	Consumer Staples	-3.50%	8.23%
0%	Financials	-3.78%	10.99%
0%	Information Technology	-7.23%	8.77%
0%	Health Care	-8.70%	21.78%
0%	Telecom Services	-9.73%	-0.62%
0%	Industrials	-11.87%	1.43%
0%	Consumer Discretionary	-12.25%	9.74%
0%	Materials	-20.38%	-26.61%
0%	Energy	-39.09%	-62.43%

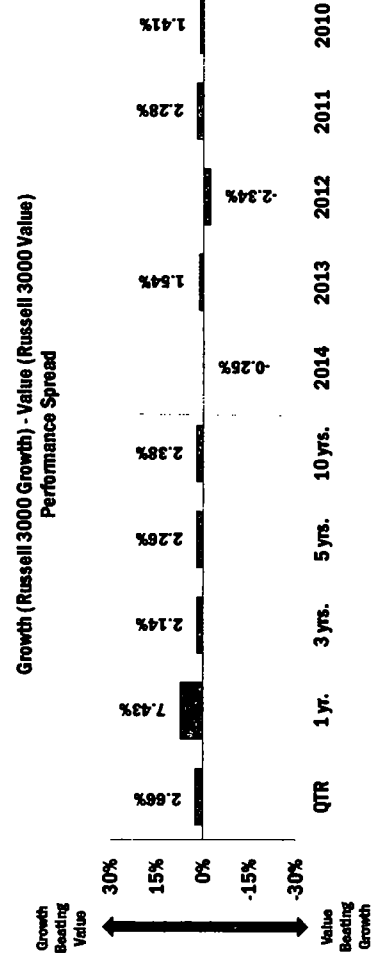
Index Performance Data

Index	QTR	YTD	Annualized			
			1 yr.	3 yrs.	5 yrs.	10 yrs.
S&P 500	-6.44%	-5.29%	-0.61%	12.40%	13.34%	6.80%
Russell 1000 Value	-8.39%	-8.96%	-4.42%	11.59%	12.29%	5.71%
Russell 1000 Growth	-5.29%	-1.54%	3.17%	13.61%	14.47%	8.09%
Russell Mid Cap	-8.01%	-5.84%	-0.25%	13.91%	13.40%	7.87%
Russell Mid Cap Value	-8.04%	-7.66%	-2.07%	13.69%	13.15%	7.42%
Russell Mid Cap Growth	-7.99%	-4.15%	1.45%	13.98%	13.58%	8.09%
Russell 2000	-11.92%	-7.73%	1.25%	11.02%	11.73%	6.55%
Russell 2000 Value	-10.73%	-10.06%	-1.60%	9.18%	10.17%	5.35%
Russell 2000 Growth	-13.06%	-5.47%	4.04%	12.85%	13.26%	7.67%
Russell 3000	-7.25%	-5.45%	-0.49%	12.53%	13.28%	6.92%
DJ US Select RET	3.09%	-2.84%	11.82%	9.92%	12.31%	6.69%

Small Cap (Russell 2000) - Large Cap (S&P 500)  
Performance Spread



Growth (Russell 3000 Growth) - Value (Russell 3000 Value)  
Performance Spread

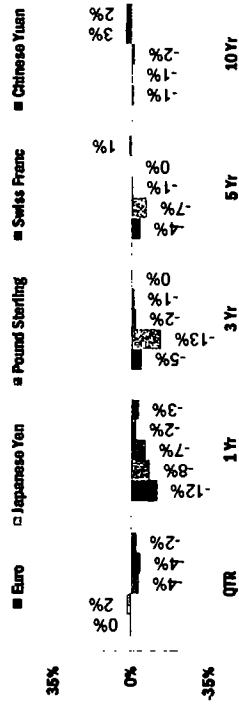


# 3Q2015 International Market Data

Index Performance Data (net)

Index (US\$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	-12.17%	-8.63%	-12.16%	2.34%	1.82%	3.03%
MSCI EAFE	-10.23%	-5.28%	-8.66%	5.63%	3.95%	2.97%
Europe	-8.65%	-5.20%	-9.33%	6.03%	4.25%	3.31%
United Kingdom	-10.02%	-8.23%	-12.12%	2.96%	4.53%	2.99%
Germany	-10.89%	-8.90%	-9.26%	5.19%	4.72%	4.96%
France	-6.45%	-1.75%	-7.70%	7.41%	2.78%	2.17%
Pacific	-13.21%	-5.54%	-7.51%	4.80%	3.49%	2.34%
Japan	-11.80%	0.21%	-2.22%	8.96%	4.91%	1.14%
Hong Kong	-16.16%	-6.18%	-3.27%	4.99%	4.34%	7.33%
Australia	-15.33%	-18.11%	-21.08%	-4.16%	-0.34%	4.06%
Canada	-14.14%	-20.07%	-23.90%	-4.81%	-1.76%	2.68%
MSCI EM	-17.90%	-15.47%	-19.28%	-5.27%	-3.59%	4.27%
MSCI EM Latin America	-24.29%	-29.13%	-38.65%	-17.49%	-12.94%	1.78%
MSCI EM Asia	-17.01%	-12.81%	-13.05%	-0.40%	-0.09%	6.29%
MSCI EM Eur/Mid East	-14.01%	-9.45%	-27.01%	-13.15%	-8.71%	-2.39%
MSCI ACWI Value ex-US	-13.60%	-11.33%	-16.16%	1.00%	0.86%	2.37%
MSCI ACWI Growth ex-US	-10.77%	-8.95%	-8.12%	3.63%	2.74%	3.64%
MSCI AC World Sm Cap ex-US	-10.02%	-2.54%	-6.42%	5.51%	3.85%	5.13%

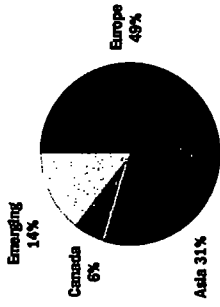
Foreign Currency v. US\$ Returns



Exchange Rates

Index	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14
Japanese Yen	119.81	122.10	119.96	119.85	109.66	101.28
Euro	0.89	0.90	0.93	0.83	0.79	0.73
British Pound	0.66	0.64	0.67	0.64	0.62	0.58
Swiss Franc	0.98	0.93	0.97	0.99	0.96	0.89
Chinese Yuan	6.36	6.20	6.20	6.20	6.14	6.20

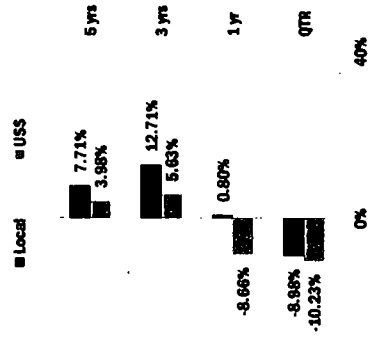
Regional Exposure  
MSCI ACWI ex-US



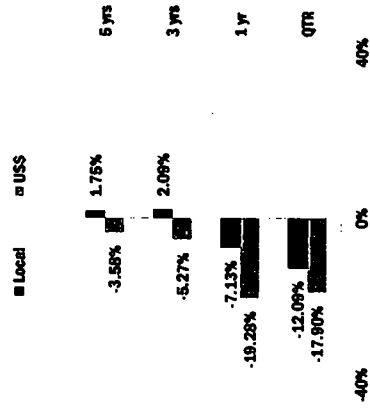
Top 10 Countries (MSCI AC World ex-US)

Japan	17%
UK	14%
France	8%
Switzerland	7%
Germany	7%
Canada	7%
China	5%
Australia	5%
South Korea	3%
Hong Kong	3%

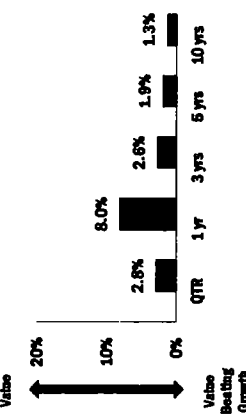
MSCI EAFE Index Return



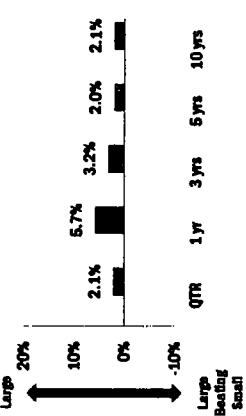
MSCI Emerging Index Return



MSCI ACWI Ex US Value v. Growth Performance Spread



MSCI ACWI Ex US Large v. Small Cap Performance Spread



# Historical Market Returns

Ranked by Performance

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	3Q15
US Bonds	8.44%	25.91%	55.82%	25.55%	34.00%	32.14%	39.42%	5.24%	78.51%	26.85%	14.96%	18.22%	38.82%	13.68%	10.51%	Core Real Estate 3.44%
TIPS	7.90%	16.57%	47.25%	20.91%	21.36%	26.65%	16.65%	Global Bonds 4.79%	High Yield 58.21%	Mid Cap 25.48%	TIPS 13.56%	Mid Cap 17.28%	Mid Cap 34.76%	Mid Cap 13.21%	US Bonds 1.13%	US Bonds 1.23%
High Yield	5.28%	16.52%	40.83%	20.22%	Core Real Estate 20.15%	Small Cap 18.37%	Commod. 16.23%	Cash 1.39%	Intl 41.45%	Emerging Markets 18.88%	US Bonds 7.84%	Intl 16.83%	Large Cap 32.39%	Core Real Estate 11.44%	Cash 0.04%	Global Bonds 0.85%
Core Real Estate	4.61%	10.26%	40.06%	18.33%	Intl 16.62%	Large Cap 15.79%	Core Real Estate 14.84%	TIPS 2.35%	Mid Cap 40.48%	Commod. 16.83%	Global Bonds 5.64%	Small Cap 16.35%	Intl 15.29%	US Bonds 5.97%	TIPS -0.80%	Cash 0.02%
Cash	3.34%	4.58%	28.97%	Global Balanced 12.18%	Mid Cap 12.65%	Core Real Estate 15.27%	TIPS 11.64%	Core Real Estate 10.70%	Small Cap 27.17%	Core Real Estate 15.26%	High Yield 4.98%	Large Cap 16.00%	Global Balanced 14.45%	Small Cap 4.89%	Global Bonds -2.25%	TIPS -1.14%
Small Cap	2.49%	1.63%	28.68%	Core Real Estate 12.00%	Large Cap 4.91%	Mid Cap 15.26%	Global Bonds 9.48%	Global Balanced 24.51%	Large Cap 25.46%	High Yield 15.12%	Large Cap 2.11%	High Yield 15.81%	Core Real Estate 12.95%	TIPS 3.64%	High Yield -2.45%	Global Balanced -4.76%
Global Bonds	1.57%	1.41%	24.27%	High Yield 11.13%	Small Cap 4.55%	Global Balanced 14.53%	Global Balanced 9.07%	High Yield 26.16%	Global Balanced 20.49%	Large Cap 15.06%	Cash 0.06%	Global Balanced 11.06%	High Yield 7.44%	Global Balanced 3.17%	Global Balanced -4.30%	High Yield -4.85%
Emerging Markets	-2.62%	Emerging Markets -6.17%	Commod. 23.93%	Large Cap 10.88%	Global Balanced 4.16%	High Yield 11.85%	US Bonds 6.97%	Small Cap -33.79%	Commod. 18.91%	Intl 11.15%	Global Balanced -0.97%	Core Real Estate 9.76%	Cash 0.07%	High Yield 2.45%	Large Cap -5.28%	Large Cap -6.43%
Mid Cap	5.62%	Global Balanced -6.58%	Global Bonds 12.51%	Global Bonds 9.27%	Cash 3.23%	Global Bonds 6.64%	Mid Cap 5.60%	Commod. -35.65%	TIPS 11.41%	Global Balanced 9.40%	Mid Cap -1.55%	TIPS 6.98%	US Bonds -2.02%	Global Bonds 0.59%	Mid Cap -5.84%	Mid Cap -8.00%
Global Balanced	-9.04%	Intl -14.95%	TIPS 8.40%	Commod. 9.15%	TIPS 2.84%	Cash 4.85%	Large Cap -5.49%	Large Cap -37.00%	Global Bonds 6.93%	US Bonds 6.54%	Small Cap -4.18%	Global Bonds 4.32%	Global Bonds -2.60%	Cash 0.04%	Small Cap -7.73%	Small Cap -11.90%
Large Cap	-11.89%	Mid Cap -16.19%	Core Real Estate 8.28%	TIPS 8.46%	High Yield 2.74%	US Bonds 4.33%	Cash 4.44%	Mid Cap -41.46%	US Bonds 5.93%	TIPS 6.31%	Commod. -13.32%	US Bonds 4.21%	Emerging Markets -2.60%	Emerging Markets -2.18%	Intl -8.62%	Intl -12.10%
Commod.	-19.51%	Small Cap -20.48%	US Bonds -4.10%	US Bonds 4.34%	US Bonds 2.43%	Commod. 2.07%	High Yield 1.87%	Intl -45.53%	Cash 0.16%	Global Bonds 5.54%	Intl -13.71%	Cash 0.08%	TIPS -8.61%	Intl -3.86%	Emerging Markets -15.40%	Commod. -14.40%
Intl	-19.73%	Large Cap -22.10%	Cash 1.44%	Cash 1.44%	Global Bonds -4.49%	TIPS 0.41%	Small Cap -1.57%	Emerging Markets -53.33%	Core Real Estate 30.40%	Cash 0.15%	Emerging Markets -18.42%	Commod. -1.06%	Commod. -9.52%	Commod. -17.00%	Commod. -15.80%	Emerging Markets -17.80%

Global Balanced is composed of 60% MSCI World Stock Index, 35% Barclays Global Aggregate Bond Index, and 5% US 90-Day T-Bills.

# Section 2

**Sample Client 457 Deferred Compensation Plan**

**PLAN ASSET ALLOCATION  
Third Quarter 2015**

Fixed Income	Ticker	Assets	%
Stable Value		\$125,599,698	26.8%
Vanguard Total Bond Market Index Instl	VBTLX	\$10,866,111	2.3%
Vanguard Inflation Protection Secs. Admiral	VAIPX	\$1,421,330	0.3%
Blackrock High Yield Bond BR	BRHYX	\$3,358,262	0.7%
<b>Total</b>		<b>\$141,245,401</b>	<b>30.2%</b>

Large Cap	Ticker	Assets	%
DFA US Large Cap Value I	DFLVX	\$24,225,610	5.2%
Vanguard Institutional Index	VINIX	\$33,985,438	7.3%
Vanguard Growth Index Institutional	VIGIX	\$59,369,595	12.7%
<b>Total</b>		<b>\$117,580,643</b>	<b>25.1%</b>

Mid Cap	Ticker	Assets	%
Vanguard Selected Value Inv	VASVX	\$6,913,395	1.5%
Vanguard Mid Cap Index Institutional	VMCIX	\$10,978,081	2.3%
Vanguard S&P MC 400 Growth Index Instl	VMFGX	\$12,808,806	2.7%
<b>Total</b>		<b>\$30,700,282</b>	<b>6.6%</b>

Small Cap	Ticker	Assets	%
DFA US Targeted Value Institutional	DFRVX	\$3,085,043	0.7%
Vanguard Small Cap Index Institutional	VSCIX	\$9,742,544	2.1%
Vanguard Explorer Admiral	VEXRX	\$3,177,744	0.7%
<b>Total</b>		<b>\$16,005,331</b>	<b>3.4%</b>

International/Global	Ticker	Assets	%
DFA Global Equity Institutional	DGEIX	\$13,050,175	2.8%
DFA International Value Institutional	DFIVX	\$5,059,770	1.1%
Vanguard Total International Stock Instl	VTSNX	\$4,961,082	1.1%
Vanguard International Growth Admiral	VWILX	\$6,291,663	1.3%
<b>Total</b>		<b>\$29,362,690</b>	<b>6.3%</b>

Asset Allocation	Ticker	Assets	%
Custom Income	-	\$9,804,757	2.1%
Custom 2010	-	\$6,049,306	1.3%
Custom 2020	-	\$25,649,526	5.5%
Custom 2030	-	\$37,095,446	7.9%
Custom 2040	-	\$32,091,501	6.9%
Custom 2050	-	\$7,479,791	1.6%
<b>Total</b>		<b>\$118,170,327</b>	<b>25.3%</b>

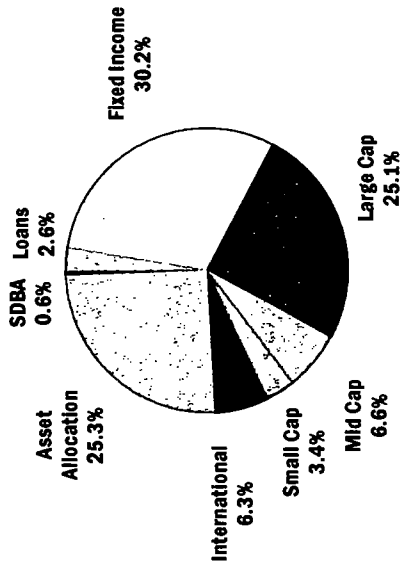
**Total Active Participant Loans \$12,174,223 2.6%**  
**Self-Directed Brokerage Assets \$2,587,249 0.6%**

**TOTAL PLAN ASSETS \$467,826,146**

**Sample Client 457 Deferred Compensation Plan**

**PLAN ASSET ALLOCATION**  
Third Quarter 2015

**PLAN COMPOSITION**

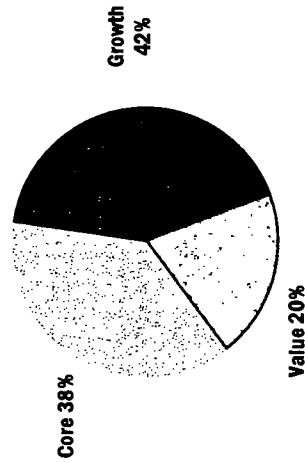


**HISTORICAL PLAN ALLOCATION**

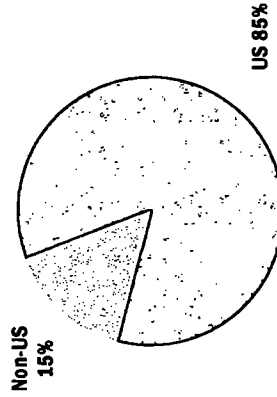
Asset Class	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14	4Q13
Fixed Income	30.2%	28.3%	28.7%	29.1%	29.4%	29.2%	30.2%	31.3%
Large Cap	25.1%	26.0%	26.7%	26.6%	26.6%	26.6%	25.8%	26.0%
Mid Cap	6.6%	6.9%	6.8%	7.0%	6.8%	6.6%	6.8%	6.6%
Small Cap	3.4%	3.6%	3.6%	3.5%	3.5%	3.7%	3.6%	3.4%
International	6.3%	6.6%	6.6%	6.4%	6.4%	6.8%	6.7%	6.8%
Asset Allocation	25.3%	25.4%	24.7%	24.4%	24.2%	24.1%	24.0%	23.0%
SDBA	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%
Loans	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%	2.4%	2.4%

	2	3	4	n/a	2	n/a	1
# Advice Users	477	451	429	n/a	383	n/a	333
\$ Discretionary Users	\$22.8m	\$23.6m	\$22.6m	n/a	\$19.2m	n/a	\$16.4m
# of Parts w/ Balances	4,929	4,901	4,867	4,834	4,834	4,782	4,758

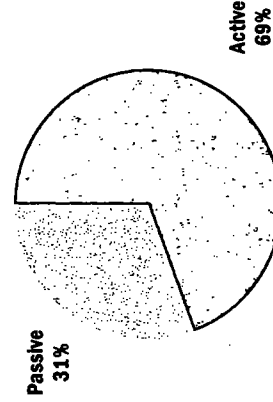
**By Equity Style \***



**By Equity Region \***



**By Investment Type \*\***

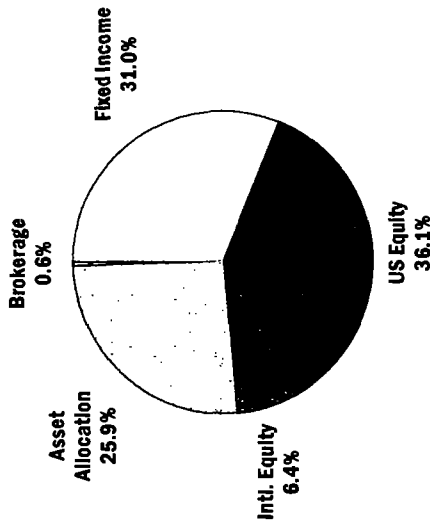


\* Excludes Fixed Income, Asset Allocation, Loans and Brokerage assets  
 \*\* Excludes Asset Allocation, Loans and Brokerage assets

**Sample Client 457 Deferred Compensation Plan**

**PLAN ASSET ALLOCATION**  
Third Quarter 2015

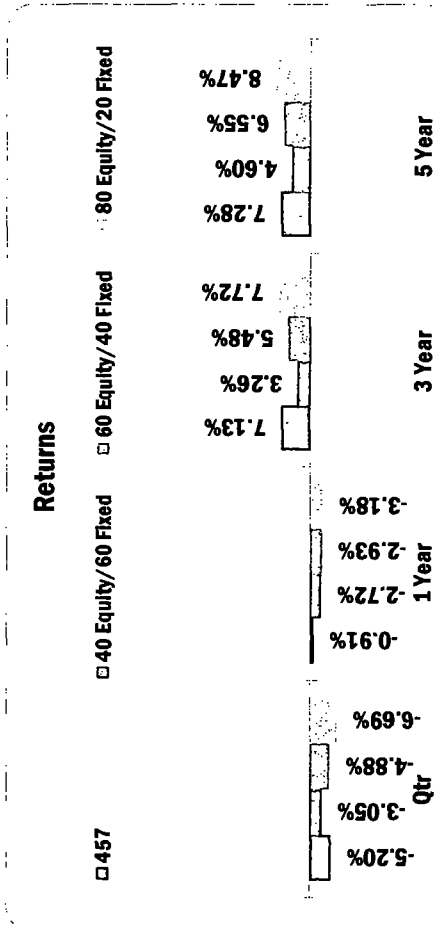
**BROAD PLAN ALLOCATION**



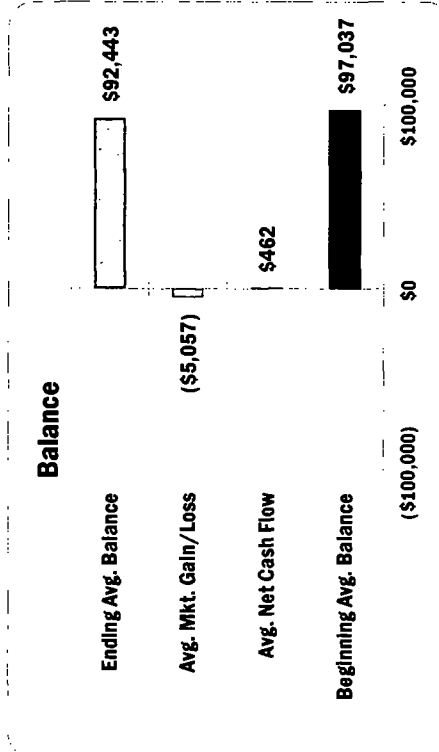
**PLAN LEVEL CASH-FLOW**

Asset Class	Beginning Market Value	Net Cash Flow	Market Gain/(Loss)	Ending Market Value	Estimated Qtr Return
Fixed Income	\$138,679,122	\$2,072,236	\$494,043	\$141,245,401	0.35%
Large Cap	\$127,679,587	(\$1,401,930)	(\$8,697,015)	\$117,580,643	-6.85%
Mid Cap	\$33,969,794	(\$617,277)	(\$2,652,235)	\$30,700,282	-7.88%
Small Cap	\$17,884,487	\$116,296	(\$1,995,451)	\$16,005,331	-11.12%
Global	\$14,675,389	(\$239,905)	(\$1,385,310)	\$13,050,175	-9.52%
International	\$17,784,088	\$950,345	(\$2,421,918)	\$16,312,515	-13.27%
Asset Allocation	\$124,761,436	\$1,468,029	(\$8,059,138)	\$118,170,327	-6.42%
SDBA	\$2,862,311	(\$68,304)	(\$206,759)	\$2,587,249	-7.31%
Total w/ SDBA	\$478,296,215	\$2,279,491	(\$24,923,783)	\$455,651,924	-5.20%
Total w/o SDBA	\$475,433,904	\$2,347,795	(\$24,717,024)	\$453,064,675	-5.19%

**PLAN LEVEL RETURN**



**AVERAGE PARTICIPANT BALANCE**



Equity Indices: Russell 3000, MSCI ACWI ex USA; Fixed Indices: US Treasury 90 Day T-Bill, Barclays Global Aggregate Bond (rebalanced quarterly)

# Section 3

Investment Policy Statement Compliance Report

Key: (P) Pass / (F) Fail

Investment Policy Status

	Performance Factors	Qualitative Factors	On-Watch Date Initiated	Notes
Stable Value	(P)	(P)	-	
Vanguard Total Bond Market Index Instl	(P)	(P)	-	
Vanguard Inflation Protection Secs. Admiral	(P)	(P)	-	
Blackrock High Yield Bond BR	(P)	(P)	-	
DFA US Large Cap Value I	(P)	(P)	-	
Vanguard Institutional Index	(P)	(P)	-	
Vanguard Growth Index Institutional	(P)	(P)	-	
Vanguard Selected Value Inv	(P)	(P)	-	
Vanguard Mid Cap Index Institutional	(P)	(P)	-	
Vanguard S&P MC 400 Growth Index Instl	(P)	(P)	-	
DFA US Targeted Value Institutional	(P)	(P)	-	
Vanguard Small Cap Index Institutional	(P)	(P)	-	
Vanguard Explorer Admiral	(P)	(P)	-	
DFA Global Equity Institutional	(P)	(P)	-	
DFA International Value Institutional	(F)	(P)	3Q14	Underperformance vs. index and peer group
Vanguard Total International Stock Instl	(P)	(P)	-	
Vanguard International Growth Admiral	(P)	(P)	-	

Sample Client 457-Deferred  
 Compensation Plan

INVESTMENT POLICY STATEMENT COMPLIANCE REPORT  
 Third Quarter 2015

### Investment Policy Statement Compliance Report

Key:  Pass /  Fail

#### Investment Policy Status

Performance Factors	Qualitative Factors	On-Watch Date Initiated	Notes
<input type="radio"/>	<input type="radio"/>	-	Underperformance vs. index and peer group
<input type="radio"/>	<input type="radio"/>	-	
<input type="radio"/>	<input type="radio"/>	-	
<input type="radio"/>	<input type="radio"/>	-	
<input type="radio"/>	<input type="radio"/>	-	
<input type="radio"/>	<input type="radio"/>	-	

- Custom Target Date Income
- Custom Target Date 2010
- Custom Target Date 2020
- Custom Target Date 2030
- Custom Target Date 2040
- Custom Target Date 2050

3Q2015 Investment Performance

	QTR	YTD	1yr	3yrs	5yrs	10yrs	2014	2013	2012	2011	2010	2009
<b>Stable Value</b>	<b>0.44</b>	<b>1.28</b>	<b>1.70</b>	<b>1.76</b>	<b>2.09</b>	-	<b>1.59</b>	<b>1.85</b>	<b>2.30</b>	<b>2.69</b>	<b>2.95</b>	<b>3.28</b>
3 Year Constant Maturity Treasury + 0.50%	0.38	1.12	1.49	1.26	1.20	-	1.40	1.05	0.88	1.60	1.61	1.93
+/- Index	0.06	0.16	0.21	0.50	0.89	-	0.19	0.80	1.42	1.09	1.34	1.35
Stable Value Universe	48	80	80	78	65	-	53	46	61	53	57	50
<b>Vanguard Total Bond Market Index Institutional</b>	<b>1.18</b>	<b>1.02</b>	<b>2.76</b>	<b>1.59</b>	<b>3.00</b>	<b>4.63</b>	<b>5.90</b>	<b>-2.14</b>	<b>4.18</b>	<b>7.72</b>	<b>6.58</b>	<b>6.11</b>
Barclays Capital US Aggregate Bond Index	1.23	1.13	2.94	1.71	3.10	4.64	5.97	-2.02	4.21	7.84	6.54	5.93
+/- Index	(0.05)	(0.11)	(0.18)	(0.12)	(0.10)	(0.01)	(0.06)	(0.11)	(0.03)	(0.12)	0.04	0.18
US OE Intermediate-Term Bond	11	22	13	47	58	39	30	67	83	11	70	89
<b>Vanguard Inflation-Protected Secs Admiral</b>	<b>-0.89</b>	<b>-0.90</b>	<b>-0.73</b>	<b>-1.87</b>	<b>2.46</b>	<b>3.89</b>	<b>3.97</b>	<b>-8.86</b>	<b>6.90</b>	<b>13.29</b>	<b>6.31</b>	<b>10.96</b>
Barclays Capital US Treasury US TIPS	-1.15	-0.80	-0.83	-1.83	2.55	4.01	3.64	-8.61	6.98	13.56	6.31	11.41
+/- Index	0.26	(0.10)	0.10	(0.04)	(0.09)	(0.12)	0.33	(0.26)	(0.08)	(0.27)	0.00	(0.45)
US OE Inflation Protection	9	28	4	18	3	8	5	54	23	8	29	31
<b>BlackRock High Yield Bond BlackRock</b>	<b>-4.28</b>	<b>-2.04</b>	<b>-2.76</b>	<b>4.82</b>	<b>7.01</b>	<b>7.36</b>	<b>3.31</b>	<b>9.50</b>	<b>17.19</b>	<b>3.15</b>	<b>18.64</b>	<b>52.88</b>
Barclays Capital US Corporate High Yield Index	-4.86	-2.45	-3.43	3.51	6.15	7.25	2.45	7.44	15.81	4.98	15.12	58.21
+/- Index	0.58	0.41	0.67	1.31	0.86	0.11	0.86	2.05	1.38	(1.83)	3.52	(5.33)
US OE High Yield Bond	43	47	40	7	6	4	12	12	15	55	4	24
<b>DFA US Large Cap Value I</b>	<b>-9.36</b>	<b>-8.22</b>	<b>-5.75</b>	<b>13.64</b>	<b>13.60</b>	<b>6.28</b>	<b>10.07</b>	<b>40.32</b>	<b>22.05</b>	<b>-3.14</b>	<b>20.17</b>	<b>30.19</b>
Russell 1000 Value Index	-8.39	-8.96	-4.42	11.59	12.29	5.71	13.45	32.53	17.51	0.39	15.51	19.69
+/- Style Index	(0.97)	0.74	(1.33)	2.05	1.31	0.57	(3.39)	7.80	4.54	(3.53)	4.66	10.50
US OE Large Value	68	50	63	6	4	23	60	3	1	69	3	16

3Q2015 Investment Performance

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Institutional Index	-6.45	-5.30	-0.63	12.37	13.31	6.80	13.65	32.35	15.98	2.09	15.05	26.63
S&P 500 Index	-6.44	-5.29	-0.61	12.40	13.34	6.80	13.69	32.39	16.00	2.11	15.06	26.46
+/- Index	(0.01)	(0.01)	(0.02)	(0.03)	(0.03)	0.00	(0.04)	(0.04)	(0.02)	(0.02)	(0.01)	0.17
US OE Large Blend	23	28	23	27	15	20	18	42	35	17	29	52

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Growth Index Institutional	-6.02	-2.99	1.94	13.02	14.30	8.11	13.62	32.41	17.04	1.89	17.17	36.50
Vanguard US Growth Index	-6.00	-2.95	2.00	13.08	14.37	8.15	13.69	32.47	17.14	1.96	17.23	36.50
+/- Style Index	(0.02)	(0.04)	(0.06)	(0.06)	(0.07)	(0.04)	(0.07)	(0.06)	(0.10)	(0.07)	(0.06)	0.00
US OE Large Growth	38	53	48	41	19	21	14	62	29	19	16	23

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Selected Value Inv	-9.22	-6.98	-4.25	12.98	12.65	7.54	6.36	42.04	15.25	0.82	19.44	36.26
Russell Mid Cap Value Index	-8.04	-7.66	-2.07	13.69	13.15	7.42	14.75	33.46	18.51	-1.38	24.75	34.21
+/- Style Index	(1.18)	0.68	(2.18)	(0.71)	(0.50)	0.12	(8.39)	8.58	(3.26)	2.20	(5.31)	2.05
US OE Mid-Cap Value	47	41	67	38	26	22	81	8	68	16	78	43

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Mid Cap Index Institutional	-7.45	-4.61	1.72	14.69	13.64	7.89	13.78	35.17	16.01	-1.96	25.67	40.51
Vanguard US Mid Cap Index	-7.44	-4.58	1.76	14.73	13.68	7.90	13.83	35.21	16.04	-1.91	25.69	40.49
+/- Index	(0.01)	(0.03)	(0.04)	(0.04)	(0.04)	(0.01)	(0.05)	(0.04)	(0.03)	(0.05)	(0.02)	0.02
US OE Mid-Cap Blend	19	20	14	8	11	17	5	40	55	32	26	24

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard S&P MC 400 Growth Index Instl	-6.97	-0.93	4.84	13.24	13.43	-	7.51	32.68	17.24	-0.99	-	-
S&P Midcap 400 Growth Index	-6.95	-0.87	4.92	13.31	13.50	9.08	7.57	32.77	17.27	-0.94	30.57	41.08
+/- Style Index	(0.02)	(0.06)	(0.08)	(0.07)	(0.07)	-	(0.06)	(0.09)	(0.03)	(0.05)	-	-
US OE Mid Cap Growth	15	18	16	31	22	-	47	66	21	29	-	-

3Q2015 Investment Performance

	QTR	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	2009
<b>DFA US Targeted Value Institutional</b>	<b>-11.10</b>	<b>-7.58</b>	<b>-4.02</b>	<b>12.50</b>	<b>12.30</b>	<b>6.77</b>	<b>2.94</b>	<b>43.03</b>	<b>19.19</b>	<b>-6.29</b>	<b>29.01</b>	<b>31.87</b>
Russell 2000 Value Index	-10.73	-10.06	-1.60	9.18	10.17	5.35	4.22	34.52	18.05	-5.50	24.50	20.58
+/- Style Index	(0.37)	2.48	(2.42)	3.32	2.13	1.42	(1.28)	8.50	1.14	(0.79)	4.51	11.29
US OE Small Value	74	44	67	19	15	25	65	10	23	72	24	37
<b>Vanguard Small Cap Index Institutional</b>	<b>-10.32</b>	<b>-6.54</b>	<b>-0.16</b>	<b>12.50</b>	<b>13.00</b>	<b>7.78</b>	<b>7.53</b>	<b>37.80</b>	<b>18.26</b>	<b>-2.65</b>	<b>27.95</b>	<b>36.40</b>
Vanguard US Small Cap Index	-10.33	-6.58	-0.20	12.46	12.95	7.67	7.54	37.77	18.20	-2.75	27.82	36.15
+/- Index	0.01	0.04	0.04	0.04	0.05	0.11	(0.01)	0.03	0.06	0.10	0.13	0.25
US OE Small Blend	44	39	51	25	20	12	13	46	20	41	23	24
<b>Vanguard Explorer Admiral</b>	<b>-12.87</b>	<b>-7.26</b>	<b>-1.17</b>	<b>12.78</b>	<b>12.66</b>	<b>6.95</b>	<b>4.08</b>	<b>44.59</b>	<b>15.07</b>	<b>-1.72</b>	<b>27.64</b>	<b>36.45</b>
Russell 2000 Growth Index	-13.06	-5.47	4.04	12.85	13.26	7.67	5.60	43.30	14.59	-2.91	29.09	34.47
+/- Style Index	0.19	(1.79)	(5.21)	(0.07)	(0.60)	(0.72)	(1.52)	1.29	0.48	1.19	(1.45)	1.98
US OE Small-Cap Growth	67	73	81	25	40	58	35	29	31	35	45	42
<b>DFA Global Equity Institutional</b>	<b>-9.50</b>	<b>-6.50</b>	<b>-5.09</b>	<b>9.53</b>	<b>9.06</b>	<b>5.60</b>	<b>4.62</b>	<b>29.15</b>	<b>18.24</b>	<b>-7.41</b>	<b>19.35</b>	<b>34.51</b>
MSCI World Index	-8.45	-6.04	-5.09	8.58	8.29	4.73	4.94	26.68	15.83	-5.54	11.76	29.99
+/- Index	(1.05)	(0.46)	0.00	0.95	0.77	0.87	(0.31)	2.47	2.41	(1.87)	7.59	4.52
US OE World	65	63	55	26	22	35	28	26	30	45	16	42
<b>DFA International Value Institutional</b>	<b>-14.64</b>	<b>-8.91</b>	<b>-13.82</b>	<b>4.02</b>	<b>1.68</b>	<b>2.67</b>	<b>-6.99</b>	<b>23.12</b>	<b>16.61</b>	<b>-16.85</b>	<b>10.57</b>	<b>39.45</b>
MSCI EAFE Value	-11.77	-8.15	-12.60	4.69	3.06	2.07	-5.39	22.95	17.69	-12.17	3.25	34.23
+/- Style Index	(2.87)	(0.76)	(1.22)	(0.67)	(1.38)	0.60	(1.59)	0.16	(1.08)	(4.68)	7.32	5.22
US OE Foreign Large Value	93	85	83	58	77	33	59	31	51	87	17	15

3Q2015 Investment Performance

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Total International Stock Instl	-11.59	-6.80	-10.71	3.15	2.18	3.03	-4.15	15.15	18.28	-14.51	11.12	36.73
Vanguard Total International Stock Index	-11.88	-7.62	-11.10	2.99	2.09	3.04	-3.39	15.76	17.04	-14.31	10.69	40.44
+/- Index	0.29	0.82	0.39	0.16	0.09	(0.01)	(0.76)	(0.61)	1.24	(0.20)	0.43	(3.71)
US OE Foreign Large Blend	74	77	80	78	81	43	33	83	49	60	40	21
Vanguard International Growth Admiral	-12.99	-7.13	-9.85	4.89	3.77	4.57	-5.51	23.12	20.18	-13.58	15.81	41.88
MSCI AC World Ex USA Growth	-10.77	-5.95	-8.12	3.63	2.74	3.64	-2.65	15.49	16.67	-14.21	14.45	38.67
+/- Style Index	(2.22)	(1.18)	(1.73)	1.26	1.03	0.93	(2.86)	7.63	3.51	0.63	1.36	3.21
US OE Foreign Large Growth	94	90	94	60	63	36	65	15	24	67	30	28
Custom Income Target Date	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Custom Index	-3.40	-2.13	-1.59	3.41	4.16	-	3.56	7.26	9.46	1.96	6.93	11.72
+/- Index	-2.15	-1.18	0.39	3.89	4.32	-	4.84	7.12	7.02	3.15	6.47	11.84
US OE Retirement Income	49	45	75	48	64	-	78	45	44	45	85	88
Custom Target Date 2010	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Custom Index	-3.81	-2.32	-1.56	4.83	5.92	-	3.95	11.14	11.62	1.01	12.24	22.73
+/- Index	-2.80	-1.68	0.00	4.95	5.78	-	5.08	10.39	9.44	1.31	11.62	23.44
US OE Target 2000-2010	44	21	38	17	27	-	55	14	16	41	13	59
Custom Target Date 2020	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Custom Index	-5.64	-3.54	-2.46	6.56	7.14	-	4.50	17.09	13.84	-1.34	14.05	26.80
+/- Index	-4.93	-3.34	-1.44	6.27	6.90	-	5.57	15.59	11.69	-0.42	13.38	27.46
US OE Target 2016-2020	75	49	64	10	16	-	52	7	15	66	13	38

Sample Client 457 Deferred  
Compensation Plan

PERFORMANCE REVIEW  
Third Quarter 2015

3Q2015 Investment Performance

Custom Target Date 2030	QTR	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	2009
Custom Index	-0.78	-4.13	-2.66	7.99	8.19	-	5.91	21.60	15.97	-2.83	16.04	30.84
+/- Index	-6.44	-4.53	-2.46	7.39	7.80	-	5.97	19.91	13.76	-2.22	14.71	31.73
US OE Target 2026-2030	68	36	49	10	18	-	45	14	15	58	9	30

Custom Target Date 2040	QTR	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	2009
Custom Index	7.50	-1.50	-2.82	9.09	8.95	-	5.70	24.99	16.99	-8.79	16.99	32.81
+/- Index	-7.71	-5.53	-3.35	8.20	8.36	-	6.25	23.33	15.20	-3.66	15.33	33.20
US OE Target 2036-2040	40	21	30	7	16	-	37	10	14	45	10	36

Custom Target Date 2050	QTR	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2014	2013	2012	2011	2010	2009
Custom Index	-7.96	-4.78	-2.89	9.68	9.86	-	5.99	26.77	16.77	-4.95	16.87	33.89
+/- Index	-8.47	-6.13	-3.89	8.74	8.69	-	6.36	25.67	15.88	-4.51	15.75	34.16
US OE Target 2050+	47	17	32	5	11	-	33	1	14	45	4	34

# Section 4

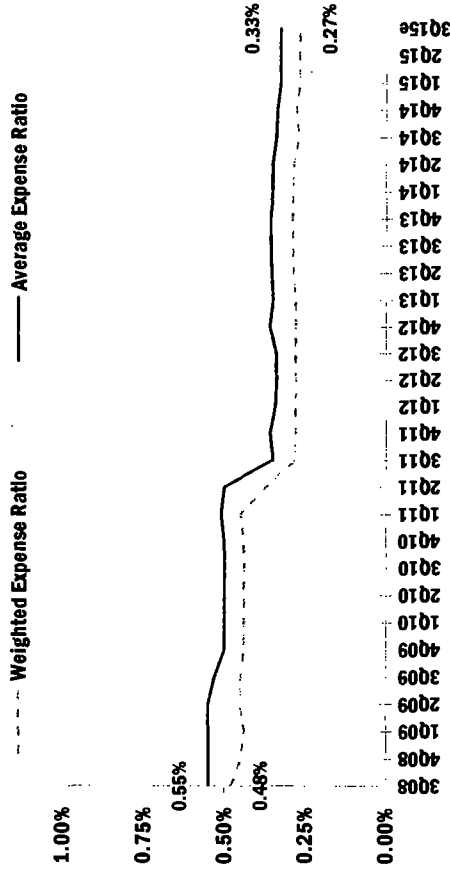
**Sample Client**

157 Deferred Compensation Plan

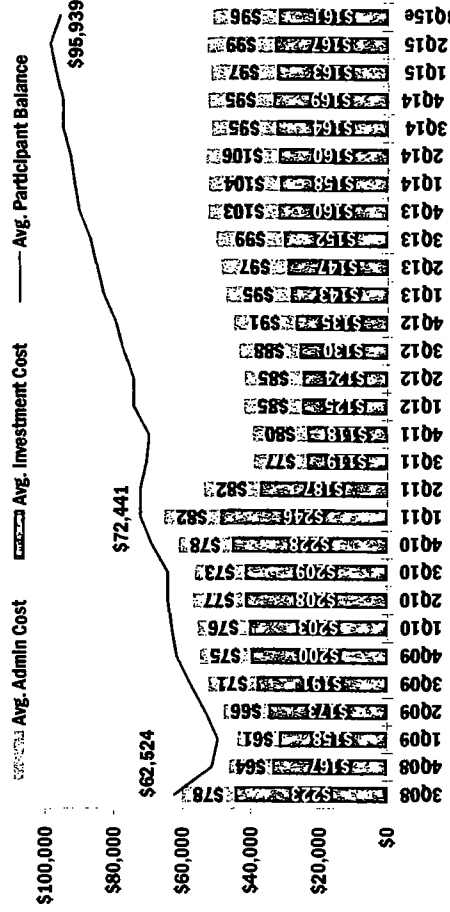
**PLAN FEE ANALYSIS SUMMARY (estimated)**

Third Quarter 2015

**Annualized Investment / Administration Cost (%)**

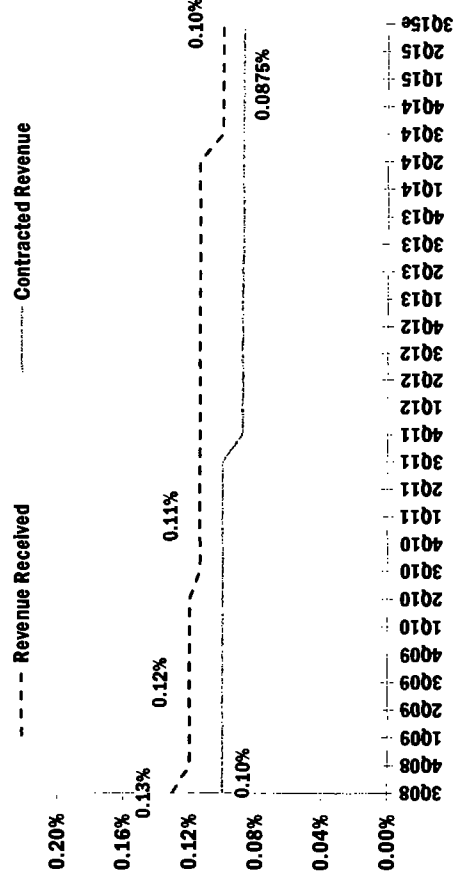


**Average Participant Balance and Cost (\$)**



**Contracted Revenue v. Revenue Received**

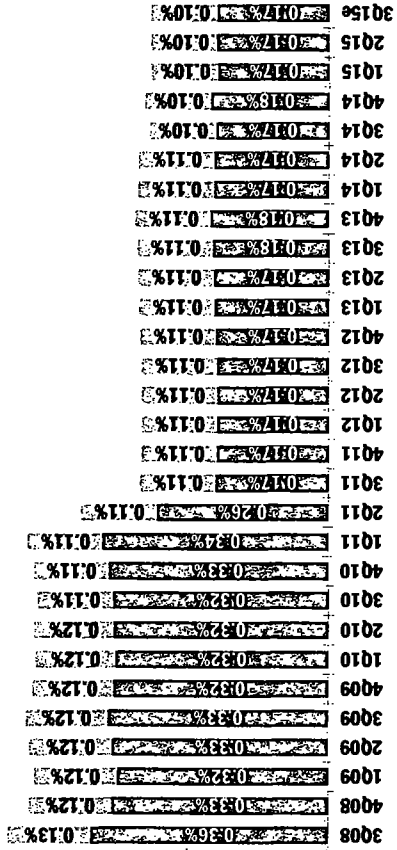
(as a % of total assets)



**Annualized Investment Cost Summary**

(as a % of total assets)

□ Avg. Admin Cost per Participant    □ Avg. Investment Cost per Participant



### 3Q2015 Expense Calculation (estimated)

Fund Option	Expense Ratio	Admin Fee	Annualized				Qtr Average Assets	Qtr Inv Cost	Qtr Admin Cost
			July 2015	August 2015	September 2015	Qtr			
Custom Stable Value	0.14%	0.10%	\$123,039,470	\$123,101,289	\$125,314,606	\$123,818,455	\$168,393	\$123,818	
Vanguard Total Bond Market Index Inst	0.07%	0.10%	\$10,810,756	\$10,954,581	\$10,898,695	\$10,888,011	\$7,622	\$10,888	
Vanguard Inflation Protected Securities	0.10%	0.10%	\$1,417,381	\$1,427,021	\$1,400,548	\$1,414,984	\$1,415	\$1,415	
Blackrock High Yield Bond BR	0.53%	0.10%	\$3,755,566	\$3,739,142	\$3,660,475	\$3,718,391	\$19,707	\$3,718	
DFA US Large Cap Value I	0.27%	0.10%	\$27,067,431	\$26,113,170	\$24,688,254	\$25,956,285	\$70,082	\$25,956	
Vanguard Institutional Index	0.04%	0.10%	\$37,483,901	\$36,325,908	\$34,304,712	\$36,038,173	\$14,415	\$36,038	
Vanguard Growth Index Institutional	0.08%	0.10%	\$65,062,349	\$63,687,575	\$60,761,557	\$63,170,494	\$50,536	\$63,170	
Vanguard Selected Value Inv	0.44%	0.10%	\$7,321,264	\$7,212,957	\$6,968,172	\$7,167,464	\$31,537	\$7,167	
Vanguard Mid Cap Index Inst	0.08%	0.10%	\$12,950,009	\$11,862,385	\$11,583,579	\$12,131,991	\$9,706	\$12,132	
Vanguard S&P MC 400 Growth Index Instl	0.08%	0.10%	\$14,107,375	\$14,777,485	\$13,369,144	\$14,084,668	\$11,268	\$14,085	
DFA US Targeted Value Institutional	0.37%	0.10%	\$3,194,817	\$3,192,598	\$3,128,329	\$3,171,915	\$11,736	\$3,172	
Vanguard Small Cap Index Instl Vanguard	0.08%	0.10%	\$11,009,040	\$10,649,999	\$10,108,026	\$10,589,022	\$8,471	\$10,589	
Explorer Admiral	0.34%	0.10%	\$3,720,838	\$3,653,588	\$3,396,877	\$3,590,434	\$12,207	\$3,590	
DFA Global Equity Institutional	0.31%	0.10%	\$14,573,737	\$14,120,032	\$13,301,189	\$13,998,320	\$43,395	\$13,998	
DFA International Value Institutional	0.43%	0.10%	\$5,478,018	\$5,449,750	\$5,232,198	\$5,386,655	\$23,163	\$5,387	
Vanguard Total International Stock Instl	0.12%	0.10%	\$5,306,316	\$5,186,630	\$4,929,287	\$5,140,744	\$6,169	\$5,141	
Vanguard International Growth Adm	0.35%	0.10%	\$7,187,143	\$6,934,043	\$6,423,633	\$6,848,273	\$23,969	\$6,848	
Custom Income	0.28%	0.10%	\$10,251,471	\$10,115,269	\$9,861,391	\$10,076,043	\$28,344	\$10,076	
Custom 2010	0.27%	0.10%	\$6,446,141	\$6,188,994	\$6,043,788	\$6,226,308	\$16,649	\$6,226	
Custom 2020	0.25%	0.10%	\$26,931,317	\$26,810,118	\$25,772,981	\$26,504,805	\$67,493	\$26,505	
Custom 2030	0.23%	0.10%	\$38,954,006	\$38,747,875	\$37,602,751	\$38,434,878	\$88,765	\$38,435	
Custom 2040	0.19%	0.10%	\$34,272,990	\$33,580,976	\$32,492,676	\$33,448,881	\$65,022	\$33,449	
Custom 2050	0.17%	0.10%	\$8,894,263	\$8,445,231	\$7,620,689	\$8,320,061	\$14,422	\$8,320	
VantageBroker (TD Ameritrade)	0.00%	0.10%	\$2,864,755	\$2,748,586	\$2,659,191	\$2,757,510	\$0	\$2,758	
Welcome Fund	0.00%	0.10%	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total</b>			<b>\$482,100,344</b>	<b>\$475,025,204</b>	<b>\$461,522,747</b>	<b>\$472,882,765</b>	<b>\$794,486</b>	<b>\$472,883</b>	

	Quarter	Annualized
Weighted Admin Fee Ratio:	0.025%	0.100%
Weighted Expense Ratio:	0.042%	0.168%
Average Expense Ratio:		0.23%
Admin Fee:	\$118,221	\$472,883
ICMA-RC Fee:	\$103,443	\$413,772
VantageBroker Revenue:	\$414	\$1,655
Excess (Admin fee - ICMA-RC fee):	\$14,778	\$59,110
Average Total # of Participants:	4,929	-

## 2Q2015 Expense Calculation (estimated)

Fund Option	Expense Ratio	Admin Fee	Annualized					
			April 2015	May 2015	June 2015	Qtr Average Assets	Qtr Inv Cost	Qtr Admin Cost
Custom Stable Value	0.14%	0.10%	\$124,010,139	\$124,242,302	\$123,503,473	\$123,918,638	\$168,529	\$123,919
Vanguard Total Bond Market Index Inst	0.07%	0.10%	\$11,149,323	\$11,058,160	\$10,881,225	\$11,029,569	\$7,721	\$11,030
Vanguard Inflation Protected Securities	0.10%	0.10%	\$1,338,141	\$1,355,308	\$1,393,281	\$1,362,243	\$1,362	\$1,362
Blackrock High Yield Bond BR	0.53%	0.10%	\$3,936,058	\$4,010,312	\$4,068,734	\$4,005,034	\$21,227	\$4,005
DFA US Large Cap Value I	0.27%	0.10%	\$28,047,974	\$28,313,060	\$28,040,564	\$28,133,866	\$75,961	\$28,134
Vanguard Institutional Index	0.04%	0.10%	\$37,980,835	\$37,890,493	\$37,557,858	\$37,809,729	\$15,124	\$37,810
Vanguard Growth Index Institutional	0.08%	0.10%	\$66,155,345	\$65,525,966	\$64,917,047	\$65,532,786	\$52,426	\$65,533
Vanguard Selected Value Inv	0.44%	0.10%	\$7,116,167	\$7,271,413	\$7,389,931	\$7,259,170	\$31,940	\$7,259
Vanguard Mid Cap Index Inst	0.08%	0.10%	\$11,720,777	\$11,855,955	\$12,574,084	\$12,050,272	\$9,640	\$12,050
Vanguard S&P MC 400 Growth Index Instl	0.08%	0.10%	\$14,504,836	\$14,483,859	\$14,545,778	\$14,511,491	\$11,609	\$14,511
DFA US Targeted Value Institutional	0.37%	0.10%	\$3,417,540	\$3,334,558	\$3,276,577	\$3,342,892	\$12,369	\$3,343
Vanguard Small Cap Index Instl	0.08%	0.10%	\$10,808,207	\$10,936,450	\$11,093,232	\$10,945,963	\$8,757	\$10,946
Vanguard Explorer Admiral	0.34%	0.10%	\$3,386,505	\$3,401,919	\$3,621,697	\$3,470,040	\$11,798	\$3,470
DFA Global Equity Institutional	0.31%	0.10%	\$14,836,997	\$14,956,662	\$15,006,196	\$14,933,285	\$46,293	\$14,933
DFA International Value Institutional	0.43%	0.10%	\$6,311,440	\$6,157,175	\$5,682,396	\$6,050,337	\$26,016	\$6,050
Vanguard Total International Stock Instl	0.12%	0.10%	\$4,803,162	\$5,131,412	\$5,284,427	\$5,073,000	\$6,088	\$5,073
Vanguard International Growth Adm	0.35%	0.10%	\$7,413,341	\$8,185,621	\$7,286,171	\$7,628,378	\$26,699	\$7,628
Custom Income	0.28%	0.10%	\$10,310,105	\$10,316,962	\$10,245,965	\$10,291,011	\$28,948	\$10,291
Custom 2010	0.27%	0.10%	\$6,011,325	\$6,054,867	\$6,164,668	\$6,076,953	\$16,250	\$6,077
Custom 2020	0.25%	0.10%	\$25,438,279	\$26,025,027	\$26,644,985	\$26,036,097	\$66,299	\$26,036
Custom 2030	0.23%	0.10%	\$38,047,754	\$38,774,266	\$38,816,002	\$38,546,007	\$89,021	\$38,546
Custom 2040	0.19%	0.10%	\$34,398,395	\$34,681,582	\$34,509,000	\$34,529,659	\$67,123	\$34,530
Custom 2050	0.17%	0.10%	\$8,384,979	\$8,644,346	\$8,739,849	\$8,589,724	\$14,890	\$8,590
VantageBroker (TD Ameritrade)	0.00%	0.10%	\$2,774,552	\$2,797,871	\$2,818,701	\$2,797,041	\$0	\$2,797
Welcome Fund	0.00%	0.10%	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>			<b>\$482,302,175</b>	<b>\$485,405,545</b>	<b>\$484,061,842</b>	<b>\$483,923,188</b>	<b>\$816,092</b>	<b>\$483,923</b>

	Quarter	Annualized
Weighted Admin Fee Ratio:	0.025%	0.100%
Weighted Expense Ratio:	0.04%	0.169%
Average Expense Ratio:	-	0.23%
Admin Fee:	\$120,981	\$483,923
ICMA-RC Fee:	\$105,858	\$423,433
VantageBroker Revenue:	\$127	\$510
Excess (Admin fee - ICMA-RC fee):	\$15,123	\$60,490
Average Total # of Participants:	4,901	-

# Section 5

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# Custom 2030 Portfolio September 30, 2015

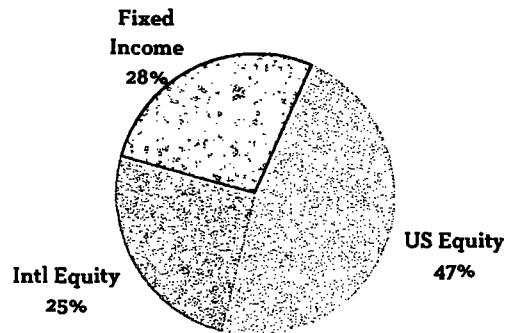
## Investment Strategy

The portfolio invests in a diversified mix of fixed income and equity mutual funds. The asset allocation strategy is designed for investors with a planned retirement date in or near the year 2030; and/or for those with long-term investment horizons. The strategy will expose investors to significant equity market risks and volatility of returns. The portfolio will generally be allocated 28% to fixed income and 72% to equity securities. The portfolio's allocation will become more conservative over time in relation to the target date. Refer to table 1 for additional detail on underlying portfolio investments and target allocations.

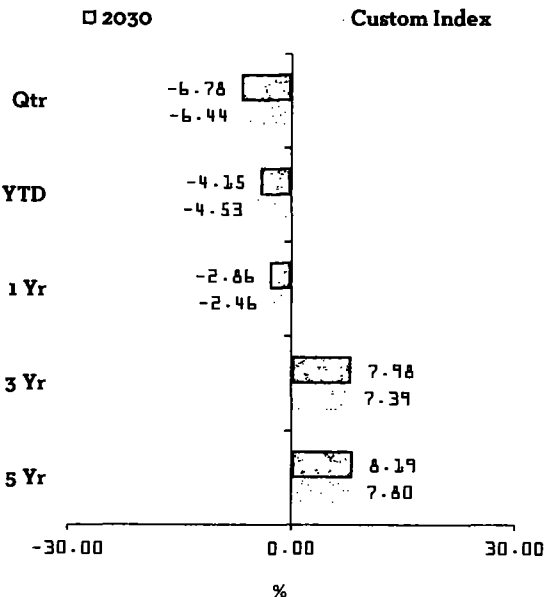
## Investment Objective

The portfolio seeks to provide capital appreciation and current income consistent with an allocation for investors seeking a heavy emphasis on long-term growth of capital and only modest need for current income.

## Broad Asset Allocation



## Performance



## Investment Cost

Weighted Expense Ratio:	0.21%
Portfolio Advisory Fee:	0.02%
Total Cost:	0.23%

## Category Ranking

## Percentile Rank

Qtr	68
YTD	36
1 Year	49
3 Year	10
5 Year	18

Underlying Fund Name	Ticker	Target Allocation	Expense Ratio	Performance			Annualized		
				Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Stable Value	n.a.	10.30%	0.36%	0.44	1.28	1.70	1.76	2.09	-
Vanguard Total Bond Market Index Instl.	VBTIX	5.60%	0.07%	1.18	1.02	2.76	1.59	3.00	4.63
BlackRock High Yield Bond BlackRock	BRHYX	7.45%	0.52%	(4.28)	(2.04)	(2.76)	4.82	7.01	7.36
Vanguard Inflation Prot. Sec. Admiral	VAIPX	0.00%	0.10%	(0.89)	(0.90)	(0.73)	(1.87)	2.46	3.89
PIMCO Emerging Local Bond Instl.	PELBX	4.15%	0.90%	(11.89)	(15.63)	(21.49)	(9.95)	(4.20)	-
Vanguard Institutional Index	VINIX	27.30%	0.04%	(6.45)	(5.30)	(0.63)	12.37	13.31	6.80
Vanguard Mid-Cap Index Institutional	VMCIX	13.20%	0.08%	(7.45)	(4.61)	1.72	14.69	13.64	7.89
Vanguard Small Cap Index Institutional	VSCIX	6.60%	0.08%	(10.32)	(6.54)	(0.16)	12.50	13.00	7.78
Vanguard Developed Markets Instl.	VTMNX	15.25%	0.07%	(9.93)	(3.96)	(7.96)	5.97	4.16	3.22
DFA International Small Company I	DFISX	6.35%	0.53%	(7.98)	0.60	(3.65)	8.56	6.26	5.31
DFA Emerging Markets Core Equity I	DFCEX	3.80%	0.61%	(16.62)	(14.68)	(18.68)	(4.10)	(3.28)	-

(see second page for important disclosures)

Not FDIC Insured. May lose value. No bank guarantee.

Custom 2030 Portfolio Disclosures:

\*Asset allocations and underlying fund holdings reflect Plan policy and implementation changes that went into effect May 20, 2011.

The performance data shown represent past performance, which is not a guarantee of future results. Allocation strategy is subject to change and rebalancing. Historical performance may reflect allocation policies that have adapted to changing industry standards and evolved over time. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited.

Category ranking is provided from Morningstar, Inc. and is based on other target date funds with similar objectives. 1 is the highest ranking and 100 is the lowest ranking.

Custom 2030 Index composition consists of 10.30% 3 year Constant Maturity US Treasury Yield + 0.50%, 17.20% Barclays US Aggregate Bond Index, 27.30% S&P 500 Index, 13.20% Russell Mid Cap Index, 6.60% Russell 2000 Index, 25.40% MSCI All-Country World ex-US. The custom index is rebalanced to the target allocation quarterly.

Figures for periods less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and capital gains distributions. All returns are shown net of expenses.

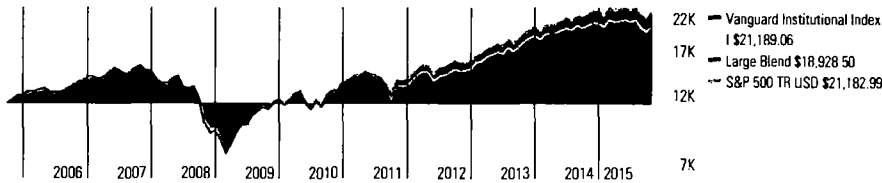
Custom Portfolios are not mutual funds. The portfolios are composed of investments in a broad range of funds in various allocations. The portfolios strike a unit price on a daily basis that is reflective of the performance of the underlying funds and any portfolio management fees and expenses.

Fund fact sheet provided by Hvas Group LLC.

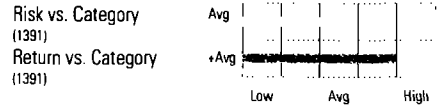
# Vanguard Institutional Index I VINIX

NAV \$	NAV Day Change %	Yield TTM %	Total Assets \$ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
184.62	↓-1.06   -0.57	2.57	181.9	Open	\$5 mil	None	0.04%	★★★★	Large Blend	Large Blend

## Growth of 10,000 10-21-2005 - 10-21-2015



## 3 Year Average Morningstar Risk Measures



## Investment Strategy

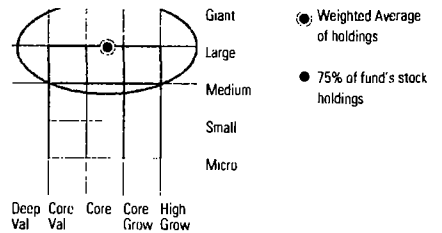
The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

## Performance 10-21-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	9,968	10,279	10,617	14,997	18,994	21,158
Fund	-0.32	2.79	6.17	14.46	13.69	7.78
+/- S&P 500 TR USD	-0.02	-0.01	-0.02	-0.03	-0.03	0.00
+/- Category	1.73	0.89	2.27	1.38	1.68	0.83
% Rank in Cat	21	20	20	22	14	20
# of Funds in Cat	1,607	1,663	1,592	1,366	1,224	866

\* Currency is displayed in BASE

## Style Map



## Top Holdings 09-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
Apple Inc	3.71	114.68 BASE	0.80 ↑	92.00 - 134.54
Microsoft Corp	2.09	48.70 BASE	3.18 ↑	39.72 - 50.04
Exxon Mobil Corporation	1.83	82.11 BASE	2.36 ↑	66.55 - 97.20
Johnson & Johnson	1.52	98.71 BASE	1.09 ↑	81.79 - 109.49
General Electric Co	1.50	29.48 BASE	2.11 ↑	19.37 - 29.74
% Assets in Top 5 Holdings		10.65		

⊕ Increase ⊖ Decrease ✦ New to Portfolio

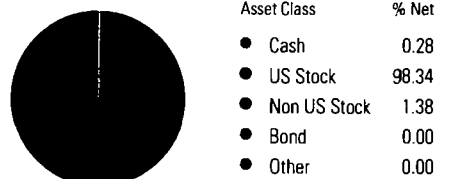
## Top Sectors 09-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Technology	18.37	18.37	16.77	17.30
Financial Services	15.23	15.33	15.23	16.48
Healthcare	15.20	15.20	12.80	15.56
Consumer Cyclical	11.36	11.36	10.58	12.02
Industrials	10.84	11.68	10.84	11.45

## Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
09-18-2015	178.79	0.0000	0.0000	0.0000	0.9700	0.9700
06-19-2015	192.67	0.0000	0.0000	0.0000	0.8800	0.8800
03-26-2015	187.70	0.0000	0.0000	0.0000	1.6000	1.6000
12-19-2014	189.65	0.0000	0.0000	0.0000	1.0500	1.0500
09-19-2014	184.21	0.0000	0.0000	0.0000	0.8900	0.8900

## Asset Allocation



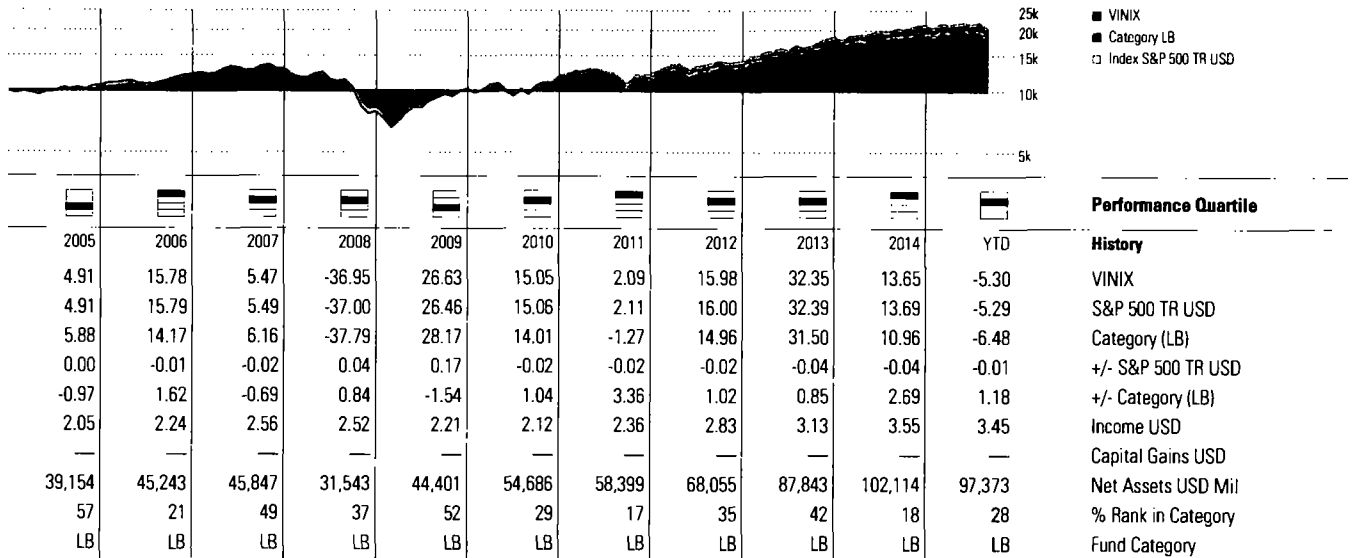
## Management

Donald M. Butler  
Start Date: 12-31-2000

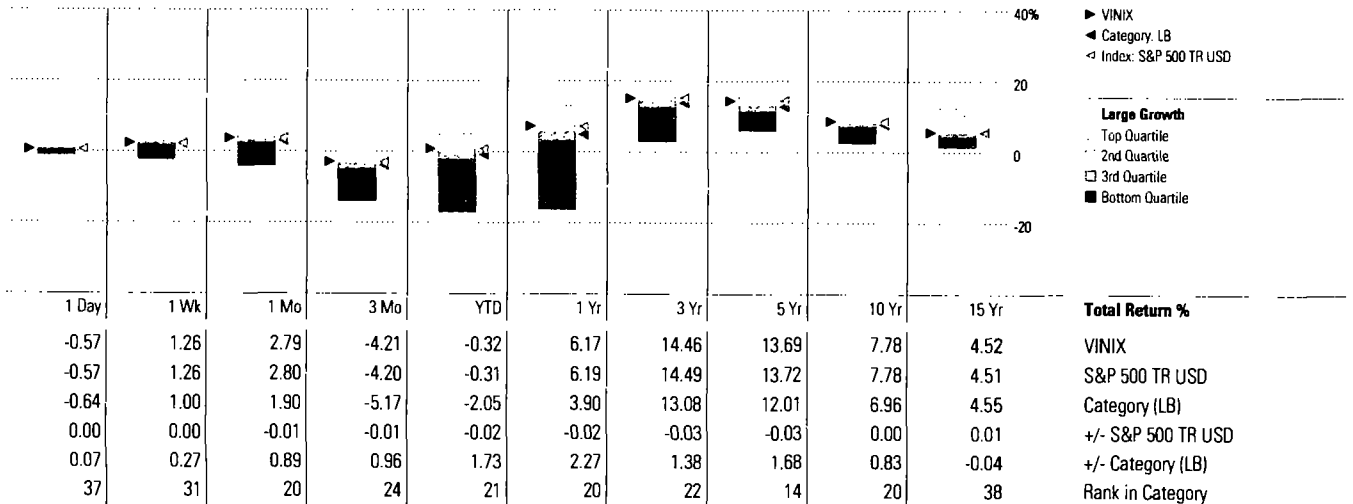
# Vanguard Institutional Index I VINIX

## Performance

### Growth of 10,000 09-30-2015



### Trailing Total Returns 10-21-2015



### Tax Analysis 09-30-2015

	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Incpt.
Pretax Return	-2.48	-6.45	-6.19	-5.30	-0.63	12.37	13.31	6.80	3.97	9.21
Tax-adjusted Return	-2.71	-6.67	-6.59	-6.06	-1.66	11.46	12.62	6.31	3.50	8.49
% Rank in Category	28	23	21	33	18	23	12	11	32	—
Tax Cost Ratio	—	—	—	—	1.03	0.81	0.61	0.46	0.45	—
Potential Cap Gains Exposure %	31.89									

# Custom Stable Value

## Portfolio Characteristics 9/30/2015

Average Credit Quality:	AA-
12 Month Yield (Gross):	1.86%
Portfolio Duration:	2.52 years
Management Fee:	0.136%
Fund Inception:	9/10/2007

## Sector Breakdowns 9/30/2015

Cash	12%
US Government/Agencies	18%
Mortgages	26%
Corporates	24%
Asset Backed	16%
Miscellaneous	3%

## Credit Quality 9/30/2015

AAA	75%
AA	7%
A	14%
BBB	5%
<BBB	0.1%

## Duration Distribution 9/30/2015

< 1 years	28%
1-3 years	38%
3-5 years	23%
5+ years	11%

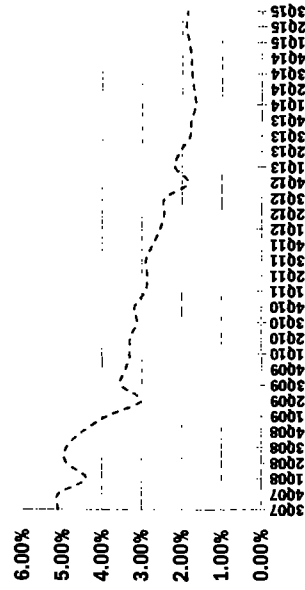
## Investment Contract Providers Rating

Prudential Life	AA-
American General Life	A+
Transamerica Premier Life	AA-
Pacific Life Insurance Co.	A+
State Street Bank and Trust Co.	AA-

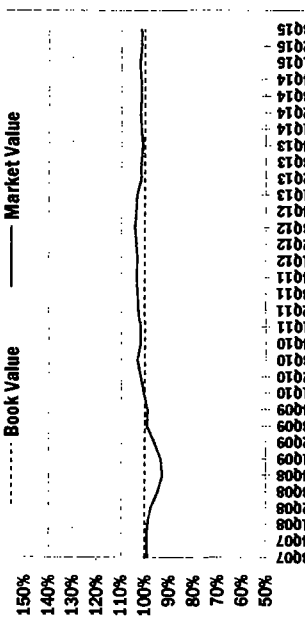
## Period Book Value Market Value M/B Ratio

1Q2014	\$134,135,934	\$135,954,476	101.4%
2Q2014	\$133,622,536	\$136,194,197	101.9%
3Q2014	\$134,474,995	\$136,420,311	101.4%
4Q2014	\$136,673,185	\$138,827,042	101.6%
1Q2015	\$137,564,915	\$140,466,263	102.1%
2Q2015	\$138,519,861	\$140,385,908	101.3%
3Q2015	\$141,418,854	\$143,497,257	101.5%

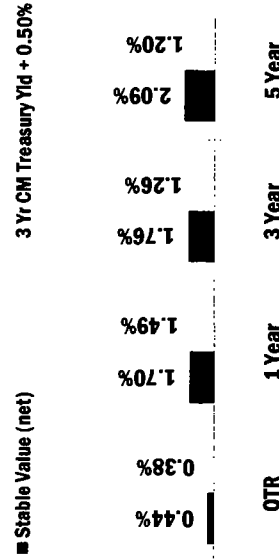
## Historical Annualized Gross Yield



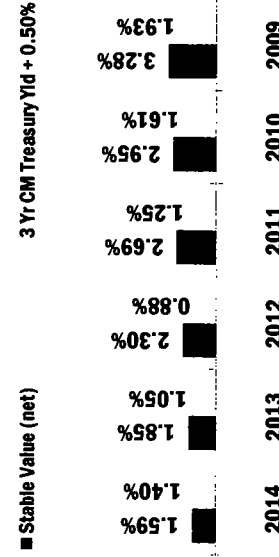
## Market to Book



## Annualized Performance



## Annual Performance



## SECTION 10



Link: [http://www.oregonlive.com/finance/index.ssf/2014/12/heres\\_what\\_a\\_great\\_401k\\_plan\\_l.html](http://www.oregonlive.com/finance/index.ssf/2014/12/heres_what_a_great_401k_plan_l.html)

## Here's what a great retirement plan looks like

TriMet's retirement plan draws high marks from an investment author. (*Doug Beghtel/The Oregonian*)

**Brent Hunsberger | For The Oregonian/OregonLive** By **Brent Hunsberger | For The Oregonian/OregonLive**

**Email the author | Follow on Twitter**

on December 27, 2014 at 6:00 AM, updated December 27, 2014 at 2:37 PM

Earlier this year, at a financial literacy conference for teachers, renowned investment author **William Bernstein** paid a Portland employer a nice compliment. And not just any Portland employer.

Bernstein projected TriMet's 401(k)-type plan on the screen behind him and said that, outside the federal government's **Thrift Savings Plan**, this was "the best I've ever seen."

This was high praise coming from the author of "**Intelligent Asset Allocator**" and other books on investing (including, most recently, a self-published e-book for young investors called "**If You Can: How Millenials Can Get Rich Slowly**").

**Take a close look**, and it's easy to see why he said it. TriMet's **Defined Contribution Retirement Plan** has extremely low-cost options, an attractive fund lineup and an 8 percent employer contribution made regardless of how much the employee elects to save.

How did the regional transit agency get such a good 401(k) plan for its more than 2,700 employees? The answer can serve as a lesson for other employers. It put management of the entire plan up for bid, eliminating redundant layers of service providers. It also got rid of revenue sharing - a hidden and costly form of kickbacks inside the industry.

The firm that advised TriMet in this process -- **Hyas Group** in Portland -- has done the same type of plan restructuring for the cities of Portland, Eugene and Corvallis as well as for Metro and Clark County.

"TriMet used its institutional buying power to get access to quality investment funds with low overall costs," said Lori Baker, TriMet's financial services director.

But Jayson Davidson, Hyas Group's managing director of consulting services, said he believes private companies employing as few as 100 people could improve plan costs in the same manner.

"The opportunity is there for smaller plans as well," Davidson said. "I feel like they all could benefit from this. It's just sometimes they don't have the resources to go through this process."

#### SEC Disclosure:

This re-print, together with the advertisement, does not imply:

1. The experience of the adviser's clients;
2. the possibility of a prospective client having a similar investment experience to that of prior clients; or
3. the adviser's competence, when there are additional facts, that if disclosed, would imply different results.

Cost cutting is a hot topic in the retirement plan world. This year, the U.S. Supreme Court is **slated to hear** Edison International's appeal of a class-action lawsuit over the cost of funds in its \$3.8 billion 401(k) plan. Lower courts have ruled Edison violated the federal Employee Retirement Income Security Act by picking higher-cost, retail-class mutual funds for its plan without considering lower-cost, institutional-class funds.

Before we go any further, a caveat: TriMet's plan ought be that good. In a cost-savings move, the regional transit agency stopped offering its defined-benefit pension plan to unionized employees hired after August 1, 2012. The defined contribution plan essentially replaces a plan that promised workers a pension upon retirement.

But many other employers – most in the private sector, in fact – don't have traditional pension plans anymore, either. So what makes TriMet's plan so good?

**Fees.** Research suggests that one of the few ways investors can improve their returns is by limiting the fees they pay for their funds. TriMet did that for employees in 2011 when it restructured the plan and put its management out to bid. In the process, it consolidated multiple recordkeepers and streamlined investment options.

It also ended the practice of revenue sharing. That's where mutual fund companies pay a portion of their expense ratios to the plan recordkeeper (Fidelity Investments, **Paychex Inc.** or **ICMA-RC**, for example) to get a spot in 401k plan lineup. Participants don't see the expense because it's embedded in the fund's expense ratio.

Hyas Group favors recordkeepers that design plans without revenue sharing, Davidson said. Instead, they charge a separate administrative fee. Either plan participants or the plan provider pay the administration fee. But in either case, the cost is no longer hidden. And it's usually lower as a result, he said.

"Since costs can have a major impact on returns, Tri-Met wanted to ensure that participants' long-term investment performance wasn't hampered by fees," TriMet's Baker said.

TriMet's plan offers The Vanguard Group's **Institutional Index Fund**, with a 0.04 percent expense ratio. That means for every \$10,000 invested in the fund, Vanguard pockets \$4 for expenses. Many actively managed funds would charge \$100 or more for the same investment – and be hard pressed make up that difference in performance.

Even Vanguard's Target Retirement fund fees in this plan are low -- 0.17 percent, on average, or \$17 for every \$10,000.

**Fund lineup.** Research suggests that actively managed mutual funds don't beat their benchmark indexes. For that reason, many experts, including Bernstein, believe workers should use low-cost, passively managed index funds.

TriMet's plan affords investors both options. Each major asset class has a low-cost, passively managed index fund option from Vanguard. But for workers who want to try to "beat the market," each major asset class also has an actively managed option with solid track records. That includes **Becker Value**

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**Equity** (from Portland-based **Becker Capital Management**), for example, and **TIAA-CREF Social Equity**, a fund that invests in companies that pass socially responsible screens.

The plan also offers several funds from **Dimensional Fund Advisors**. DFA's funds aren't index funds, but they are managed more passively than other actively managed mutual funds. In many cases, DFA fund returns have been better than their index and actively managed peers. For retail investors, DFA funds usually are only sold through approved advisers, so this is a rare benefit for Tri-Met workers.

Finally, the plan offers a solid selection of **Vanguard target-date retirement funds**, where investors can pick one fund to deposit money and let the fund adjust their mix of stocks and bonds over time.

**Employer contribution.** It's not a match. It happens regardless of what the employee chooses to put in. It equals 8 percent of an employee's base pay, and it vests 100 percent on the worker's three-year employment anniversary.

**The upshot?** Increasingly, private employer plans are moving this direction.

According to one recent survey of more than 100 such plans, 14 percent had no revenue sharing in any funds, **according to NEPC**, a Boston-based retirement-plan adviser.

If you aren't sure if your employer plan has joined this trend, bug your finance or human resources office. Ask your plan's investment committee when it plans to review your plan. Suggest they hire an independent investment adviser like Tri-Met did and follow a similar cost-cutting process.

Employers with fewer than 100 workers, unfortunately, are at a disadvantage. They don't have a large asset base or the number of workers to spread administrative costs across.

Some lower-cost plan providers are trying to help the little guys, including **Employee Fiduciary** and **ExpertPlan Inc.** Other employers can explore lower-cost SIMPLE IRAs and SEPs. But until small employers form cooperatives to buy retirement plans, as some have done for health insurance, cost savings will be limited.

-- Brent Hunsberger is an Investment Adviser Representative in Portland. For important disclosures and information about Brent, visit **ORne.ws/aboutbrent**. Reach him at **itsonlymoneyblog@gmail.com** or leave a message about his columns at **503-683-3098**.

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2. the possibility of a prospective client having a similar investment experience to that of prior clients; or
3. the adviser's competence, when there are additional facts, that if disclosed, would imply different results.



# CONTRACT AMENDMENT

Solicitation No: P17-0015 Page 1 of 3  
 Description: Consultant Services for Deferred Compensation Plan  
 Amendment No: Four (4) Date: July 22, 2021

**Materials Management Procurement**  
 9875 N. 85th Ave., 2nd Fl.  
 Peoria, AZ 85345  
 Telephone: (623) 773-7115  
 Fax: (623) 773-7118

**Buyer:** Lisa Houg

Hyas Group, LLC will be acquired by Morgan Stanley by September 1, 2021.

Morgan Stanley takes no exception to the terms, conditions, specifications, or rates established by the existing agreement and hereby assumes full responsibility for the contract.

In accordance with the Contract Standard Terms and Conditions, Section 16.11, No Delegation or Assignment, the City hereby approves this re-assignment.

See attached documentation of the acquisition.

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

[Signature]      7-23-2021      Dale Parker, COO      Hyas Group  
 Signature                      Date                      Typed Name and Title                      Company Name

108 NW 9<sup>th</sup> Avenue, Suite #203      Portland      OR      97209  
 Address                      City                      State                      Zip

Attested by:  
Lori Dyckman for

Rhonda Geriminsky, City Clerk



City Seal  
Copyright 2003  
City of Peoria, Arizona

\_\_\_\_\_  
 CC Number  
  
 \_\_\_\_\_  
 ACON08317D  
 Contract Number

[Signature] 8/2/21  
 Director: Christine Nickel, Human Resources Director

[Signature]  
 Department Rep: CamaLe Russell, HR Manager

Approved as to Form:  
Emily Jarman for  
 Vanessa P. Hickman, City Attorney

The above referenced Contract Amendment is hereby Executed:

8/5/21 07:33 MST , at Peoria, Arizona

[Signature]  
 Christine Finney, Materials Manager



108 NW 9<sup>th</sup> Ave #203  
Portland, Ore. 97209  
(971) 634-1500

hyasgroup.com

July 9, 2021

Christine Nickel  
Human Resources Director  
City of Peoria  
8401 West Monroe Street  
Peoria, AZ 85345

RE: Important Information Regarding Your Investment Advisory Agreement with the Hyas Group

Dear Christine,

We are excited to share with you that the Hyas Group will be joining Morgan Stanley as part of its Institutional Consulting Business, effective in the third quarter of 2021. We plan to maintain our existing brand and operate as a separate investment adviser within the Institutional Consulting Business.

You will work with the same Hyas Group professionals and will continue to receive the same high-quality service. We are excited about the future benefits this will bring, as Morgan Stanley provides extensive investment analytics resources as well as a broader range of institutional client solutions.

**Assignment of Your Investment Advisory Agreement**

According to the Investment Advisers Act of 1940, this transaction will result in a deemed "assignment" of your current investment advisory agreement with us. To ensure that our ability to provide investment advisory services to you remains uninterrupted, we are requesting your consent to this deemed assignment of your investment advisory agreement as a result of this change of control.

If you do not wish to provide your consent, you must notify us of your objection in writing by September 1, 2021 ("Assignment Date"). You can do this in one of two ways:

- By contacting your Hyas Group consultant via email at [ntaylor@hyasgroup.com](mailto:ntaylor@hyasgroup.com), or
- By mail to Hyas Group, LLC at 108 NW 9<sup>th</sup> Avenue, Suite 203, Portland, OR 97209.

If we do not receive your written objection before the Assignment Date, and you continue to accept our services after that period, you will have consented to the deemed assignment of your investment advisory agreement and to continuing your advisory relationship with the Hyas Group.

**An Exciting Future Ahead**

With more than \$4 trillion in client assets, Morgan Stanley is one of the world's largest financial services institutions. Consistent with our values at the Hyas Group, Morgan Stanley takes a client-first approach to delivering tailored solutions designed to help institutional clients achieve their unique goals and objectives.

As we enter this new phase, we will be in touch regularly and communicating openly. Please feel free to contact me directly if you have any questions or want to discuss further.

On behalf of everyone at the Hyas Group, thank you for the opportunity to assist you with your investment advisory needs. We look forward to our continued partnership.

Sincerely,



**Ned Taylor**  
Senior Consultant

cc: Denise Chapman, Hyas Group



108 NW 9<sup>th</sup> Ave #203  
Portland, Ore. 97209  
(971) 634-1500  
[hyasgroup.com](http://hyasgroup.com)



# CONTRACT AMENDMENT

Solicitation No: P17-0015      Page 1 of 1  
 Description: Consultant Services for Deferred Compensation Plan  
 Amendment No: Four (4)      Date: February 8, 2021


**Materials Management Procurement**  
 9875 N. 85th Ave., 2nd Fl.  
 Peoria, AZ 85345  
 Telephone: (623) 773-7115  
 Fax: (623) 773-7118

**Buyer:** Lisa Houg / dt

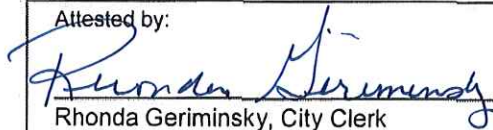
In accordance with the Contract Special Terms and Conditions, Contract Extension, the above referenced contract shall expire on 02/28/2021 and is hereby extended. EXTENSION THREE

The New Contract Term is: 03/01/2021 to 02/28/2022

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

	<u>2-11-21</u>	Dale Parker, COO	Hyas Group
Signature	Date	Typed Name and Title	Company Name
<u>108 NW 9th Avenue, Suite # 203</u>	<u>Portland</u>	<u>OR</u>	<u>97209</u>
Address	City	State	Zip

Attested by:

  
 Rhonda Geriminsky, City Clerk


  
 Director: Christine Nickel, Human Resources Director

CC Number

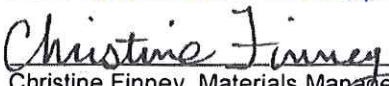
ACON08317D  
 Contract Number



Approved as to Form:

  
 Vanessa P. Hickman, City Attorney

The above referenced Contract Amendment is hereby Executed:

2-22-2021 at Peoria, Arizona  
  
 Christine Finney, Materials Manager

**LINKING AGREEMENT  
BETWEEN  
THE CITY OF GLENDALE, ARIZONA  
AND**

**HYAS GROUP, LLC**

**EXHIBIT B  
Scope of Work**

**PROJECT**

Fiduciary Responsibilities:

- Investment Policy Statement Review
- Committee meetings to include legislative updates and ongoing educational sessions

Market Overview:

- Executive Summary specific to the City's combined plans
- Performance to peer-group and index benchmarking
- Watch list recommendations
- Assist with Investment Fund additions/deletions

Committee Training:

- Basic fiduciary responsibility training
- Historical Public Sector characteristics
- Changing Employer responsibilities
- Employer trends in meeting new responsibilities
- Options and Trends

Vendor Performance Review

- Review of provider performance standards
- Development of performance standards and financial guarantees
- Determination of financial guarantees
- Addressing performance issues

Comprehensive Compliance Audit

- Comprehensive audit of additional areas likely to be examined in an IRS audit including, but not limited to, eligibility requirements, adherence to annual maximums, catch up provisions, hardship withdrawal, loan requirements and domestic relations orders

Optional Tasks as directed by the Deferred Comp Committee.

- The City may request services that are supplemental to those included in the scope of work. These services will be provided upon written authorization for the City.



November 18, 2021

As an Investment Advisor registered with the Securities Exchange Commission (SEC), Hyas Group must distribute our Form ADV (containing information on our services, fees, proxy voting policies, privacy policy, and other business subjects) to prospects and clients. The SEC requires us to have explicit written acknowledgement of receipt from the client of our Form ADV and Privacy Policy.

By signing below, you are acknowledging receipt of these documents.

The City of Glendale acknowledges that it has received and has had an opportunity to read the Hyas Group's firm brochure (Form ADV, Part 2A) and applicable brochure supplements (Form ADV, Part 2B) prior to, or at the time of, entering into the separate consulting services agreement.

We have also received Hyas Group's privacy notice prior to, or at the time of, entering into our agreement with Hyas Group.

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Thank you and feel free to contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink that reads "Michelle Ruppelt".

Michelle Ruppelt  
Head of Business Control and Risk  
[mruppelt@hyasgroup.com](mailto:mruppelt@hyasgroup.com)  
(971) 634-1508

**LINKING AGREEMENT  
BETWEEN  
THE CITY OF GLENDALE, ARIZONA  
AND  
HYAS GROUP, LLC**

**EXHIBIT C**

**METHOD AND AMOUNT OF COMPENSATION**

The consultant is not receiving Compensation from the City for the performance of the Scope of Work. City's Deferred Compensation Plan will compensate the Consultant for Services rendered, as provided in the City of Glendale Price Sheet and Best and Final Offer (BAFO) for RFP 17-02, which is attached to Exhibit B. The total compensation under this Agreement shall not exceed One hundred and Seventy-Five (\$175,000) for the entire term of the Agreement (initial term plus all renewals).

**NOT TO EXCEED AMOUNT**

The total amount of compensation paid to Contractor for full completion of all work required by the Project must not exceed \$35,000 annually or \$175,000 for the entire term of the Agreement.

**DETAILED PROJECT COMPENSATION**

-Fiduciary Responsibilities	\$10,500 annually
-Investment Performance Review	\$9,500 annually
-Vendor Performance Review	\$4,500 annually
-Comprehensive Compliance Audit	\$5,500 annually
Other services as requested by the Deferred Compensation Board	\$12,500 term of contract