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Task Order for Consulting Services under Master Consulting Contract

Closing Date: June 23, 2023

Agency Contact: John Hedges, Staff Attorney
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Scope of work: See Attachment 1

This is a Task Order (“TO”) for investment performance analysis and program consulting services for the Kansas State Treasurer’s Office in connection with the Treasurer’s administration of the Kansas Postsecondary Education Savings Program (the “Program”). The Treasurer administers the Program Pursuant to K.S.A. 75-640, *et seq.*, and in accordance with 26 U.S.C. § 529.

This TO is being delivered to all Contractors that can provide services under the following categories under the Master Contract, as listed in the MCA Service Vendor Chart posted on the Kansas Department of Administration website as of June 2, 2023:

- 1 Strategic Consulting Services
- 2 Project Management and Administration Consulting Services
- 3 Financial & Performance Management Consulting Services
- 4 Audit & Compliance Consulting Services

Additionally, this TO will be posted on the Kansas State Treasurer’s website, <https://kansascash.ks.gov/>

Proposals in response to this TO must be submitted by each interested Contractor via email only to the Agency Contact no later than the Closing Date (as specified above).

A complete scope of work specific to this TO is enclosed as Attachment 1. The provisions specified in Attachment 1 are in addition to all provisions of the Kansas Department of Administration’s Master Consulting Services Contract (EVT00086282) (the “Master Contract”). See the Master Contract for more information regarding the Task Order process and requirements under the Master Contract and this TO.

To be considered under this Task Order process, bidding Contractors must respond to each requirement and specification in this Task Order, and each requirement and specification in the Master Contract to the extent applicable to this Task Order. Any

exceptions to the requirements and specifications in Attachment 1 must be specifically identified as such and detailed in a separate section of Contractor's response.

Until after the Closing Date, the agency will not discuss this TO directly with any potential bidder. All bidder questions concerning this TO must be submitted to the Agency Contact, via email (preferred) or hard copy to the agency's address set forth above. Any questions must be received no later than June 16, 2023. The Agency Contact will distribute answers to all questions via email to all Contractors in categories 1 through 4, to the email address listed in each Contractor's Master Contract Award, as soon as possible after June 16, 2023. Except under extraordinary circumstances and in the Treasurer's sole discretion, the agency will not respond to any questions submitted after June 16, 2023. Any violation of this requirement, including directing questions to persons other than the Agency Contact, may result in disqualification from consideration under this TO, removal of the Contractor from the contract, or other corrective action, as deemed appropriate.

Following the Closing Date, the agency will evaluate responses, communicate and negotiate with bidding Contractors as needed, and potentially award this TO project to a selected Contractor, as further set forth in and subject to Section 3 of the Master Contract. While the Treasurer presently intends to select a single Contractor to provide services under this TO, any selection will be on a non-exclusive basis and the Treasurer reserves the right to select multiple Contractors, or to decline to select any Contractor, in Treasurer's sole discretion. No selection will be final until a supplemental contract formalizing this TO is fully executed by Treasurer (or Treasurer's designee) and the selected Contractor.

ATTACHMENT 1
to
Task Order for Investment Consulting Services
under Master Consulting Contract

1. Purpose and Term. The Office of the Kansas State Treasurer (“Treasurer”) seeks investment performance analysis and program consulting services for the Treasurer, on a non-exclusive basis, in connection with the Treasurer’s administration of the Kansas Postsecondary Education Savings Program (the “Program”) which includes the Learning Quest, Learning Quest Advisor and the Schwab 529 plans. The term of this Task Order is for a period from the Date of Award through June 30, 2025, with three extension options of one year each. Each extension option may be exercised in Treasurer’s sole discretion, by written notice to Contractor.

This Task Order supplements Kansas Department of Administration’s Master Consulting Services Contract (EVT00086282) (the “Master Contract”), which is incorporated herein by reference. This Task Order is contingent on Contractor maintaining a valid Master Contract. To the extent Contractor’s Master Contract is scheduled to expire or is terminated prior to the end of the term specified above (as it may be extended), Contractor shall in good faith pursue extension or replacement of such Master Contract on reasonable terms so as to provide uninterrupted service to Treasurer under this Task Order. If Contractor’s current Master Contract expires or is terminated, this Task Order shall immediately terminate without notice. If any successor agreement materially varies from the terms of Contractor’s current Master Contract, Treasurer may terminate this Task Order in Treasurer’s sole discretion, effective immediately upon written notice to Contractor. These termination rights are in addition to any other termination rights that Treasurer may have under the Master Contract or under any other applicable law.

2. Background. The Treasurer currently contracts with American Century Investment Management, Inc., to manage the Program through June 30, 2025. Learning Quest includes mutual funds from American Century Investments, The Vanguard Group, and Baird Funds. Both Learning Quest Advisor and the Schwab 529 include mutual funds from multiple investment managers. A listing of each plan’s current investment portfolios and their underlying funds can be found at www.learninginquest.com and www.schwab.com/529.

In connection with the Program, the Treasurer is advised by internal staff, and a volunteer committee of independent financial professionals appointed by the Treasurer (the Treasurer’s Advisory Committee, referred to herein as the “TAC”). The TAC typically meets once each calendar quarter to review investment performance and other matters; the fall and spring meetings will typically be held in-person in Topeka, Kansas, and the summer and winter meetings will typically be held remotely using an online meeting platform.

3. Minimum Qualifications. As of the submission of a bid response, and at all times throughout the term of the contract, Contractor shall maintain the following minimum qualifications and any other qualifications noted in Contractor’s bid response. Contractor has a continuing obligation to promptly disclose any change in qualifications, and any other developments that might render the Contractor unable to fully perform under the contract.

- a. Contractor must be an established business with at least ten years of experience providing consulting services similar to those described in the RFP, including at least six years’ experience consulting with respect to 529 plans specifically.

- b. Contractor must comply with all applicable law, including without limitation any federal and state securities laws and all state law regarding conduct of business within Kansas and for the State of Kansas. Contractor, or its personnel as applicable, shall fully maintain all securities licenses and any other licenses, authorizations, permits, certifications, and other qualifications as may be required under federal, state or local law to perform under the contract. All of such licenses and other qualifications maintained by Contractor and applicable personnel shall be detailed in Contractor's bid response.
- c. Contractor's bid response must expressly confirm the following statements, or provide a detailed description of any deviation from such statements. As used herein, "Contractor" includes the Contractor; any entity controlling, controlled by, or under common control with Contractor; any approved subcontractors; and their respective principals, owners, directors, officers, and employees. At all times following submission of a bid response (including through the term of the contract) Contractor has a continuing duty to promptly disclose any change in status with respect to the following statements, and in the event of any such change in status Treasurer may terminate the contract in Treasurer's sole discretion.
 - i. There is not any past or pending regulatory restriction, consent order, stipulation, agreement, or obligation arising from any regulatory or investigatory body, professional organization, or judicial proceeding that could affect Contractor or any services to be provided under the contract, or similar services Contractor provides or has contracted to provide for any third party.
 - ii. There is no other past or pending claim, investigation, litigation, settlement, agreement or adjudication, that could affect Contractor or any services to be provided under the contract, or similar services Contractor provides or has contracted to provide for any third party, or that concern any alleged or actual unfair, unethical, or illegal business practice by Contractor.
 - iii. There is no past or present arrangement nor understanding (written or oral) between Contractor and any advisor, broker, law firm, or other individual or entity with respect to the solicitation or referral of clients, or recommendation of any service or product.

4. General Scope of Work. The Treasurer seeks to utilize consultant services for: (1) analysis and consultation regarding the investment performance of the Program's underlying funds and blended portfolios based on agreed upon industry-standard benchmarks; comparison to peer groups, and other relevant standards; (2) periodic review of the Program's watch list, Investment Policy Statement(s) and other relevant policies and procedures; and (3) analysis and consultation regarding overall Program design, implementation, compliance, and marketing.

5. Services to be Provided.

- a. On a continuing basis, analyze the structure and performance of the fund portfolios, underlying investments, and fees of the Program, including Learning Quest, Learning Quest Advisor and the Schwab 529, based upon industry standard benchmarks, comparison to peer groups, and other relevant standards including the Program's Investment Policy Statement(s); and report such analysis to the Treasurer. Provide research, analysis, consultation, and advice to the Treasurer and TAC regarding any

proposed changes to the Program's investment structure and underlying funds (whether proposed by Treasurer, Contractor, program manager, or others).

- b. Inform the Treasurer and TAC of significant changes in the investment climate, market conditions, or regulatory requirements that could affect the Program.
- c. Annually review and recommend changes to the Program's Investment Policy Statement(s), typically in conjunction with the spring TAC meeting.
- d. Consult with and advise the Treasurer and TAC regarding watch-list criteria and policies, and provide recommendations with respect to the watch-list status of individual funds.
- e. Consult and advise on other matters affecting the Program, and 529 and similar financial programs in general. These matters include Program design, overall investment structure, marketing and distribution strategies and initiatives, benchmarks, best practices, operational efficiencies, third-party ratings (e.g., Morningstar, Saving For College), reporting and disclosure requirements, legislative and regulatory matters, fiduciary responsibilities, industry landscape, and other matters as reasonably requested by Treasurer.
- f. At Contractor's expense, attend and participate in two regularly-scheduled in-person TAC meetings annually; typically, in-person meetings will be held in Topeka, Kansas, in February and August. Attend and participate in two regularly-scheduled remote TAC meetings annually, typically in May and November. Attend and participate in regularly-scheduled monthly remote meetings with the Treasurer for status updates and other consultation. Provide additional consultation and advice, including participation in other meetings (in-person or remotely), on an as-needed basis with reasonable advance notice. Meeting schedules, locations, and topics will be as directed by Treasurer, with reasonable advance notice. On an as-needed basis and in consultation with the Treasurer, Contractor shall communicate and coordinate with the Treasurer's program manager, investment manager, and others associated with the Program.
- g. As requested by Treasurer, provide general consultation and advice, performance monitoring, and recommendations with respect to the Kansas ABLE Savings Program and general ABLE-industry issues.

6. Reports. Contractor shall provide information and reports in any format reasonably requested by Treasurer. Contractor acknowledges that such reports may require preparation of charts, graphs, and other graphical analytical exhibits, as well as narrative sufficient to fully explain the basis and findings of all analyses and recommended courses of action.

7. Primary Consultant; Assignment. A single individual shall be designated by Contractor as the primary individual responsible for Contractor's performance under the contract (the "Primary Consultant"). The individual serving as Primary Consultant shall be subject to Treasurer's reasonable approval. The Primary Consultant shall also be the primary point of contact with respect to the contract. The proposed Primary Consultant and that individual's qualifications shall be identified in Contractor's proposal. Treasurer acknowledges that other officers and employees of Contractor may assist the Primary Consultant in Contractor's performance under the contract. Contractor shall not engage with any subcontractor with respect to the performance of any services under the contract, nor assign the contract or any

interest therein, except with Treasurer's prior written approval which may be withheld in Treasurer's sole discretion.

8. Fees; Special Services. Contractor's fee schedule may propose a separate fee structure for special projects; limited or infrequent services; and services available to be performed by Contractor and not otherwise described in this RFP (collectively, "Special Services"). Contractor's proposal shall specify in detail the circumstances, if any, under which projects will be considered as Special Services to be billed separately. Contractor's performance of any Special Services, and any separate billing therefor, are subject to Treasurer's prior written approval. Contractor shall not be entitled to any compensation for any service or reimbursement for any expense except as described in Contractor's fee schedule or otherwise approved in advance in writing by Treasurer.