



OFFICE OF THE
ARIZONA STATE TREASURER

KIMBERLY YEE
TREASURER



**RFP 21-09 AZ529 Advisor-Sold Program Manager
Questions and Answers No. 1**

1. Can you confirm that a year-to-enrollment option is a suitable alternative to an age-base option, or do you strictly require an age-based approach only.

Yes, a year to enrollment option is suitable.

2. The RFP indicates that the state is seeking national distribution and marketing for its advisor-sold 529 plan. Is AZ willing to accept a bid for an advisor plan that is marketed in-state only?

No, the current plan is marketed and distributed nationally.

3. The RFP appears to permit only Class A and "clean shares". Can you define what you mean by clean shares?

A "Clean/Institutional share" offers no compensation to the financial professional from the Advisor-sold 529 Plan. As a result, there are no front-end load, annual distribution fee, or contingent deferred sales charges. All compensation to the financial professional occurs at the advisory firm level. With the addition of a Clean/Institutional share class, the Plan will be better positioned to support fee-based advisors and the Registered Investment Advisor segment, along with financial planning and brokerage firms that offer other pricing models for their clients.

4. Please provide the name of the transfer agency or recordkeeping system where the existing accounts reside.

Per the current prospectus, the named TA is Waddell & Reed Services Company, but they have contracted out most of the work to SS&C Asset Manager Solutions (formerly DST) running TA2000 as the primary application.

5. Please provide the time, place, and method (i.e., teleconference or in person) where the proposals will be opened publicly.



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Originally scheduled for October 8, 2021, the bids will be opened on October 29, 2021, at 2 p.m. Arizona time in the Treasurer's Conference Room, first floor of the Executive Tower, 1700 W. Washington, Phoenix, Arizona 85007.

6. Can you provide an estimated award date and clarify expectations for contract start date versus transition implementation date?

We expect to have an award made by the end of 2021, with any final contracts completed by March 1, 2022. Transition implementation date is subject to negotiation with bidder and current provider, if applicable.

7. The RFP requires that the program manager pay for several AZ 529 Advisor Plan audits (pg., 45), including (i) governmental financial statements, (ii) an annual financial audit performed by a certified public accounting firm, and (iii) SOC1 and SOC2 reports. Can you clarify what governmental financial statements would be in scope beyond the financial statements related to the plan itself?

This refers to preparing a financial statement of the plan (if required by the Governmental Accounting Standards Board) to be included in the State of Arizona's comprehensive financial statement detailing the assets and liabilities of the plan managed by the successful bidder. As of right now, no determination has been made by State Auditors if that is required. We included it in the RFP as a precaution.

8. The offeror is required to include a "completed contract" in order to meet the minimum criteria for consideration of a Proposal. Would you please confirm that the submission of both a redlined and clean version of the sample Services Agreement included in Exhibit L will meet that requirement? If such a submission would not meet the requirement, would you please clarify what type of submission would meet this requirement?

Yes, that would meet the requirement.

9. The RFP provides forms in Exhibit J to submit exceptions to terms within certain sections in the RFP, including the "Special Terms and Conditions" and the "Uniform Terms and Conditions", however there is no form provided to submit objections to any terms in Exhibit



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L: Sample of Contract Proposal. Would you please confirm that submission of a redlined version of the sample Services Agreement included in Exhibit L, as described above, would suffice to document any exceptions the offeror may have to terms included in Exhibit L?

Yes, that would meet the requirement.