



City of Tacoma, WA

**HUMAN RESOURCES DEPARTMENT**  
**REQUEST FOR PROPOSAL**  
**DEFERRED COMPENSATION PLAN FINANCIAL ADVISOR**  
**SPECIFICATION NO. HR25-0138F**



**City of Tacoma  
Human Resources Department / Compensation & Benefits**

**REQUEST FOR PROPOSALS HR25-0138F  
Deferred Compensation Plan Financial Advisor**

**Submittal Deadline: 11:00 a.m., Pacific Time, Tuesday, June 24, 2025**

Submittals must be received by the City’s Procurement and Payables Division by 11:00 a.m. Pacific Time.

For electronic submittals, the City of Tacoma will designate the time of receipt recorded by our email server, as the official time of receipt. This clock will be used as the official time of receipt of all parts of electronic bid submittals. Include the specification number in the subject line of your email. Your submittal must be sent as an attachment, links to your electronic submittal will not be accepted.

For in person submittals, the City of Tacoma will designate the time of receipt recorded by the timestamp located at the lobby security desk, as the official time of receipt. Include the specification number on the outside of the sealed envelope. Late submittals will be returned unopened and rejected as non-responsive.

**Submittal Delivery:** Sealed submittals will be received as follows:

<p><b>By Email:</b>  <a href="mailto:sendbid@cityoftacoma.org">sendbid@cityoftacoma.org</a>  Maximum email size including attachments: 35 MB.  Multiple emails may be sent for each submittal.</p> <p><b>Note:</b> Email may pass through multiple servers before arriving at its destination. Please allow sufficient time for email delivery of submittals. Timely electronic delivery is at the risk of the supplier.</p>	<p><b>In Person:</b>  Tacoma Public Utilities Administration Building North,  Main Floor, Lobby Security Desk  3628 South 35<sup>th</sup> Street  Tacoma, WA 98409  Monday – Friday 8:00 am to 4:30 pm</p>
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**Bid Opening:** Submittals must be received by the City’s Procurement and Payables Division prior to 11:00 a.m. Pacific Time. Sealed submittals in response to a RFB will be opened Tuesday’s at 11:15 a.m. by a purchasing representative and read aloud during a public bid opening held at the Tacoma Public Utilities Administrative Building North, 3628 S. 35<sup>th</sup> Street, Tacoma, WA 98409, conference room M-1, located on the main floor. They will also be held virtually Tuesday’s at 11:15 a.m. Attend a Zoom meeting [via this link](#) or call 1 (253) 215 8782, using meeting ID # 884 0268 0573, passcode # 070737.

Submittals in response to an RFP, RFQ or RFI will be recorded as received, but not read at bid opening. As soon as possible, after 1:00 PM, on the day of submittal deadline, preliminary results will be posted to [www.TacomaPurchasing.org](http://www.TacomaPurchasing.org).

If you believe your submittal was sent timely and was not read at bid opening, please contact [sendbid@cityoftacoma.org](mailto:sendbid@cityoftacoma.org) immediately.

**Solicitation Documents:** An electronic copy of the complete solicitation documents may be viewed and obtained by accessing the City of Tacoma Purchasing website at [www.TacomaPurchasing.org](http://www.TacomaPurchasing.org).

- [Register for the Bid Holders List](#) to receive notices of addenda, questions and answers and related updates.
- Click here to see a [list of vendors registered for this solicitation](#).

**Pre-Proposal Meeting:** A pre-proposal meeting will not be held.

**Project Scope:** Investment consulting and plan consulting services related to the City’s 457(b) Deferred Compensation Plan

**Estimate:** [N/A]

**Paid Sick Leave:** The City of Tacoma requires all employers to provide paid sick leave in accordance with State of Washington law.

**Americans with Disabilities Act (ADA Information):** The City of Tacoma, in accordance with Section 504 of the Rehabilitation Act (Section 504) and the Americans with Disabilities Act (ADA), commits to nondiscrimination on the basis of disability, in all of its programs and activities. Specification materials can be made available in an alternate format by emailing the contact listed below in the *Additional Information* section.

**Title VI Information:**

“The City of Tacoma” in accordance with provisions of Title VI of the Civil Rights Act of 1964, (78 Stat. 252, 42 U.S.C. sections 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, national origin in consideration of award.

**Additional Information:** Requests for information regarding the specifications may be obtained by contacting Sara Bird by email to [sbird@tacoma.gov](mailto:sbird@tacoma.gov).

**Protest Policy:** City of Tacoma protest policy, located at [www.tacomapurchasing.org](http://www.tacomapurchasing.org), specifies procedures for protests submitted prior to and after submittal deadline.



Meeting sites are accessible to persons with disabilities. Reasonable accommodations for persons with disabilities can be arranged with 48 hours advance notice by calling 253-502-8468.

**Table of Contents**

SUBMITTAL CHECK LIST ..... 5

1. BACKGROUND ..... 6

2. MINIMUM REQUIREMENTS ..... 6

3. SCOPE OF SERVICES AND DELIVERABLES..... 7

4. CONTRACT TERM..... 9

5. CALENDAR OF EVENTS ..... 9

6. INQUIRIES ..... 9

7. PRE-PROPOSAL MEETING..... 10

8. DISCLAIMER..... 10

9. EVALUATION CRITERIA..... 10

10. CONTENT TO BE SUBMITTED – This section represents 100% of the possible scoring criteria..... 11

11. INTERVIEWS / ORAL PRESENTATIONS..... 17

12. RESPONSIVENESS ..... 17

13. ACCEPTANCE / REJECTION OF SUBMITTALS..... 18

14. CONTRACT OBLIGATION..... 18

15. STANDARD TERMS AND CONDITIONS..... 18

16. INSURANCE REQUIREMENTS..... 18

17. PARTNERSHIPS ..... 18

18. COMMITMENT OF FIRM KEY PERSONNEL ..... 19

19. AWARD..... 19

20. ENVIRONMENTALLY PREFERABLE PROCUREMENT ..... 19

21. PROPRIETARY OR CONFIDENTIAL INFORMATION..... 20

22. ADDENDUMS ..... 20

23. LEAP REQUIREMENTS..... 20

24. EQUITY IN CONTRACTING ..... 20

APPENDIX A ..... 21


APPENDIX B ..... 22

APPENDIX C ..... 23

## SUBMITTAL CHECK LIST

This checklist identifies items to be included with your submittal. Any submittal received without these required items may be deemed non-responsive and not be considered for award.

Submittals must be received by the City of Tacoma Purchasing Division by the date and time specified in the Request for Proposal page.

<b>The following items make up your submittal package:</b>	
One electronic copy of your complete submittal package	
Signature Page (Appendix B)	
Information in Section 10 (Content To Be Submitted)	
<b>After award, the following documents will be executed:</b>	
Services Contract (Appendix C)	
Certificate of Insurance and related endorsements (Appendix C)	

## 1. BACKGROUND

The City of Tacoma (hereafter “City”) and the City of Tacoma Deferred Compensation Committee (hereafter “Committee”) is initiating this Request for Proposals (hereafter “RFP”) in order to solicit proposals from qualified firms to provide investment consulting and plan consulting services related to the City’s 457(b) Deferred Compensation Plan (hereafter “Plan”).

The City of Tacoma Deferred Compensation Plan was established in 1991 in accordance with Internal Revenue Code Section 457(b).

The Committee consists of the Utilities Deputy Director, the Human Resources Director, the Human Resources Assistant Director, the City Attorney, the City Treasurer, and the Joint Labor Committee Chairperson (or the designated alternate of any of the named positions) and is responsible for overseeing the City’s Deferred Compensation Plan. The Committee meets quarterly.

The City currently provides two Plan recordkeepers: MissionSquare Retirement (hereafter “MS”) and Nationwide Retirement Solutions (hereafter “NRS”). Each provide administration, recordkeeping, education, communication, and investment management services for the Plan. The MS option is available to all eligible employees and retirees and the NRS option is only available to active and retired International Association of Firefighters (IAFF) Local 31 members.

The Committee maintains a contract with an investment consulting and plan consulting firm to provide comprehensive investment and plan consulting and advisory services of the type sought by this RFP. Hyas Group, a separate business unit within Morgan Stanley Institutional Investment Advisors, LLC, is the current investment consultant; their contract will expire **December 31, 2025**.

There are approximately 4,050 active City employees who are eligible to participate in the Plan, as are former employees. As of March 31, 2025, the number of contributing participants totaled 2,661. As of March 31, 2025, total Plan assets were approximately \$683.3 million.

A complete Plan asset breakdown by current provider and fund option is included as Appendix A.

To learn more about the City of Tacoma, visit [www.tacoma.gov](http://www.tacoma.gov). More information on the City of Tacoma’s Deferred Compensation Plan can be found on our website: [Employee Benefits Plan Information | City of Tacoma](#).

The City anticipates awarding one (1) contract for six years with the option to renew the contract for two additional two-years terms.

## 2. MINIMUM REQUIREMENTS

All proposing firms must meet the following minimum requirements for consideration:

- The firm must have at least five (5) years' experience in providing financial investment consulting and plan consulting services to at least four (4) 457(b) governmental deferred compensation plan clients, and must, at the time of proposal submission, be providing services to a minimum of three (3) or more defined contribution plans with assets of \$250 million or more (including diverse arrays of mutual fund, stable value fund, and fixed income fund offerings, self-directed brokerage purchases, as well as target date funds).
- Must have the ability to provide the services identified in the Scope of Services.
- Will assign a key consultant with at least 10 years' experience working with retirement plans providing financial investment and plan consulting services.
- Upon award of a contract, the firm and its assigned staff must be licensed and registered under all appropriate state and federal securities, insurance, and banking laws.
- The firm must be duly qualified to do business in the State of Washington and the City of Tacoma. Must be able to meet, at minimum, all the City of Tacoma contracting requirements as contained herein. Must have knowledge of and comply with all applicable Washington state and federal regulations regarding governmental retirement plans and investment options.
- The firm must agree to serve as fiduciary with regard to the consulting services provided. A proposal will be disqualified if liability is limited to the amount of fees charged under the contract or any multiple thereof.
- The firm must not be in litigation adverse to the City or in other litigation which may have a significant and adverse impact on the firm's ability to perform services for the City.
- Effectively demonstrates that potential conflicts are fully disclosed, managed, and limited, and that advice provided will be independent of other financial relationships or compensation.
- The key consultant(s) must attend all Deferred Compensation Committee quarterly meetings.

Proposals from firms not meeting the above minimum requirements will not be considered for award.

### **3. SCOPE OF SERVICES AND DELIVERABLES**

It is the City's intent to select a consultant based on the qualifications and abilities of the firm and key personnel assigned to the City's account.

The Committee is seeking investment and plan expertise and assistance in a number of areas, including, but not limited to those listed below. Not all services may be required during any given calendar year.

- Advise and monitor assets of the Deferred Compensation Plan in adherence with the Plan's Statement of Investment Policies and Guidelines (Appendix A).
- Prepare quarterly performance measurement reports for presentation to the Committee. Reporting would include quantitative and qualitative information including but not limited to the current market overview, summary of investment performance compared to benchmark indices and peer group indices, risk and standard deviation characteristics, style and cycle analysis, and recommendations.
- Provide recommendations on minimum criteria, fee structure, risk and volatility tolerances, performance benchmarks, manager performance, and other qualifications required for investment vehicles and the administration thereof.
- Analyze, evaluate, and provide recommendations on asset categories and asset allocation.
- Monitor and evaluate investment performance through meetings with fund managers.
- Provide periodic comprehensive analysis of the specific fees and costs associated with the Plan, including benchmarking record-keeper fees; assist with record keeper fee negotiation as needed.
- Provide information on and interpretation of ERISA and other regulatory or industry investment standards. Provide interpretation of and application of fiduciary information, standards, and requirements as it applies to ERISA and non-ERISA defined contribution plans.
- Assist with research, interpretation, and application of relevant provisions of the Internal Revenue Code, Treasury Regulations, and other pertinent regulatory requirements or provisions.
- Assist in determining "best practices" and required or recommended actions to ensure compliance with current and/or proposed legal or regulatory changes to resolve a participant concern.
- Provide information, interpretation and/or analysis of contemporary industry issues, industry and plan utilization trends, and prospective or adopted legislative/regulatory changes.
- Assist with developing policies, procedures, manuals, forms, publications and/or other documents for consideration and approval. Assist in updating these documents in response to legal and economic changes.
- Assist with reviewing and auditing the accuracy of distribution and administrative revenue reports provided by the record keeper/s, and act as liaison to resolve discrepancies or concerns.

- Review the Plan’s Statement of Investment Policies and Guidelines and make recommendations for revisions, if any, or at least an annual basis.
- Assist with the planning, development, and/or review of employee communications as requested.
- Regularly attend (at least quarterly) Committee meetings and participate in frequent calls and email correspondence with Committee leadership and City staff as needed.
- Be available as needed to:
  - Attend additional meetings when requested
  - Assist with evaluating prospective and current services provided by the Plan’s record keeper/s, and acting as liaison when needed
  - Assist with an RFP for any future solicitation for Plan record-keeping services.
  - Perform other projects as assigned by the Committee

**4. CONTRACT TERM**

The contract will be for a six (6) -year period with the option to renew the contract for two (2) additional two (2) -year terms. The City reserves the right to cancel the contract for any reason, by written notice, as stipulated in the contract. The term of any contract resulting from this RFP is tentatively scheduled to begin on or about January 1, 2026. It is anticipated that the contract will be for a six (6) -year period with the option to renew the contract for two (2) additional two (2) -year terms at the City’s sole discretion. At the time of each renewal, fees and expenses may be re-negotiated.

**5. CALENDAR OF EVENTS**

This is a tentative schedule only and may be altered at the sole discretion of the City.

The anticipated schedule of events concerning this RFP is as follows:

Publish and issue RFP:	<b>6/2/2025</b>
Pre-Submittal Questions:	<b>6/11/2025</b>
Response to Questions:	<b>6/16/2025</b>
Submittal Due Date:	<b>6/24/2025</b>
Submittal Evaluated:	<b>July 2025</b>
Interviews/presentations, on or about:	<b>July 2025</b>
Award Recommendation:	<b>August 2025</b>
Deferred Compensation Committee Approval:	<b>8/28/2025</b>

**6. INQUIRIES**

**6.1** Questions should be submitted to Sara Bird via email to [Sbird@tacoma.gov](mailto:Sbird@tacoma.gov). Subject line to read:

Deferred Compensation Plan Financial Advisor HR25-0138F – *VENDOR NAME*

Request for Proposal

Specification No. HR25-0138F

Template Revised: 1/2/2024

- 6.2 Questions are due by 3 pm on the date included in the Calendar of Events section.
- 6.3 Questions marked confidential will not be answered or included.
- 6.4 The City reserves the discretion to group similar questions to provide a single answer or not to respond when the requested information is confidential.
- 6.5 The answers are not typically considered an addendum.
- 6.6 The City will not be responsible for unsuccessful submittal of questions.
- 6.7 Written answers to questions will be posted along side the specifications at [www.tacomapurchasing.org](http://www.tacomapurchasing.org).

**7. PRE-PROPOSAL MEETING**

- 7.1 No pre-proposal meeting will be held; however, questions and request for clarifications of the specifications may be submitted as stated in the Inquiries section.

**8. DISCLAIMER**

The City is not liable for any costs incurred by the Respondent for the preparation of materials, or a submittal submitted in response to this RFP, for conducting any presentations to the City, or any other activities related to responding to this RFP, or to any subsequent requirements of the contract negotiation process.

**9. EVALUATION CRITERIA**

A Selection Advisory Committee (SAC) will review and evaluate submittals. The relative weight of each scoring criteria is indicated in the table below.

<b>Criteria</b>	<b>Max Points</b>
Organizational Strength - Qualifications/Experience of Firm, includes staff resources, organizational structure, and experience with defined contribution plans	<b>30</b>
Qualifications/Experience of Key Consultant Assigned to the City Account	<b>20</b>
Fee Proposal	<b>20</b>
Consulting Organization Services/Processes	<b>10</b>
Investment Consulting Services/Processes	<b>10</b>
Sustainability	<b>5</b>
Equity in Contracting	<b>5</b>
<b>Total</b>	<b>100</b>

After the evaluation, the SAC may conduct interviews of the most qualified Respondents before final selection.

- 9.1 The SAC may select one or more respondent to provide the services required.
- 9.2 The SAC may use references to clarify information in the submittals and interviews, if conducted, which may affect the rating. The City reserves the right to contact references other than those included in the submittal.

**9.3** A significant deficiency in any one criteria is grounds for rejection of the submittal as a whole.

**10. CONTENT TO BE SUBMITTED – This section represents 100% of the possible scoring criteria.**

Proposals should be formatted as 8 ½” x 11”. A “page” is defined as one single-side of a document that has written text or graphics. The font should be Times New Roman or Arial with font size no smaller than 11 and the margins shall be 0.75” or greater. Submittals should be limited to a maximum of 10 pages, double-sided, or 20 pages total, excluding any required forms or resumes. All pages that exceed the specified page limit will not be part of the evaluation.

A full and complete response to each of the “CONTENT TO BE SUBMITTED” items is expected in a single location; do not cross reference to another section in your submittal.

Information that is confidential must be clearly marked and provide an index identifying the affected page number(s) and locations(s) of such identified materials. See Section 1 of the Standard Terms and Conditions – Solicitation 1.06 for Public Disclosure: Proprietary or Confidential Information.

Respondents are to provide complete and detailed responses to all items below. Submittals that are incomplete or conditioned in any way that contain alternatives or items not called for in this RFP, or not in conformity with law, may be rejected as being non-responsive. The City will not accept any submittal containing a substantial deviation from the requirements outlined in this RFP.

Submittals should present information in a straightforward and concise manner, while ensuring complete and detailed descriptions of the respondent’s/team’s abilities to meet the requirement of this RFP. Emphasis will be on completeness of content. The written submittals should be prepared in the sequential order as outlined below.

The City reserves the right to request clarification of any aspect of a firm’s submittal or request additional information that might be required to properly evaluate the submittal. A firm’s failure to respond to such a request may result in rejection of the firm’s submittal. Firms are required to provide responses to any request clarification within two (2) business days.

Requests for clarification or additional information shall be made at the sole discretion of the City. The City’s retention of this right shall no way diminish a Proposer’s responsibility to submit a submittal that is current, clear, complete, and accurate.

**QUESTIONS**

The Respondent shall submit the information as required in this section. Responses are to be kept clear and concise. Questions that are marked with a (Yes/No) response require an explanation only if requested. If no explanation is requested, these questions will be recorded as a Yes/No response and no additional consideration will be given. Each answer is to be

Request for Proposal

Specification No. HR25-0138F

Template Revised: 1/2/2024

preceded with a copy of the question. For items that request responses to multiple questions, separately space or separately bullet responses to each question. Responses to the following questions should be based on the understanding of two (2) Plan recordkeeper options. Assume all 457(b) assets and all participant accounts associated with those assets will be serviced by your firm. For the purpose of this RFP, an assumed asset allocation for the Plan is provided in Appendix A titled "Provider Investment Menu".

### **10.1 GENERAL FIRM INFORMATION/BACKGROUND**

1. Briefly describe your firm's background, history, and ownership structure, including any parent, affiliated or subsidiary company and any business partners or joint ventures.
2. Describe the range of services your firm provides.
3. Provide the percentage of total revenues and income derived from major business lines, including investment consulting.
4. Within the past five (5) years, have there been any significant developments in your organization such as changes in ownership, restructuring, changes in senior leadership, personnel reorganizations, terminations, or investigations? Do you anticipate future significant changes in your organization?
5. Have any lawsuits or regulatory actions been taken against the firm, its executives, or its principals in the last five (5) years? If yes, please describe.

### **10.2 CONSULTING ORGANIZATION**

1. Please provide biographical information on the proposed key consultant/consulting team that would be assigned to this account. How many client relationships does this consultant/team serve? Please describe and list the names of other clients served by the proposed consultant, and whether they serve as the key or co-key of the client relationships.
2. Explain what sets your team and your firm apart from your peers.
3. Discuss the ways you manage growth in the consulting client base, including any limits that may exist for the ratio of clients/consultant.
4. What is your client service philosophy? How do you prefer to work with consulting clients? How does your firm define and measure the success of its advisory relationships?
5. How many senior/key people have left or joined your firm in the last three (3) years? Please list these, and the dates of their addition/departure.
6. Describe your firm's backup procedures in the event that key personnel in this proposed assignment should leave the firm or become incapacitated.

7. Would the Plan Committee be able to request removal of a specific staff member assigned to this account?
8. Do you provide fiduciary and other educational training and/or materials to support your clients?
9. What distinguishes your firm in the investment consultant industry? Are there significant contributions that you have made to defining “best practices” in the defined contribution 457 retirement and government plan investment consulting field?

### **10.3 CONSULTING CLIENT PROFILE**

1. Please provide a table showing number of consulting clients by size ranges, in categories of Public/Private for Defined Contribution; Endowment/Foundation.
2. Please provide a table showing number of consulting clients by length of tenure with your firm.
3. Please provide a full or representative list of your consulting clients which are comparable in size and type to the City of Tacoma’s Deferred Compensation 457(b) Plan.
4. Please provide complete details on the number and asset values of any terminated consulting client relationships in the last five (5) years.
5. Please provide complete details on the number and asset values of any new consulting client relationships in the last five (5) years.

### **10.4 STANDARDS OF CONDUCT/CONFLICTS OF INTEREST**

1. State whether or not your employees comply with the Code of Ethics and Standards of Professional Conduct of the CFA Institute. If not, does your firm maintain a Code of Ethics? Attach a copy of your firm’s Code of Ethics as Exhibit A.
2. Has your firm ever been required to pay damages or penalties or trade/relinquish something of value under any of its existing or past contracts as it relates to services similar to those contemplated by this RFP? If so, describe the situation.
3. Do you or a related company receive any payments from money managers you recommend, consider for recommendation, or otherwise mention to the plan for our consideration? If so, what is the extent of these payments in relations to your other income (revenue)?
4. Aside from the specific issue of doing business with managers, are there any other potential conflicts of interest that you might have in providing consulting services to the City of Tacoma’s Deferred Compensation 457(b) Plan Committee?

5. If your firm is awarded this contract, will you acknowledge in writing that you have a fiduciary obligation as an investment advisor to the plan while providing the consulting services we are seeking?
6. Do you consider yourself a fiduciary under ERISA with respect to the recommendations you provide the plan? (While the City's Deferred Compensation 457(b) Plan is not governed by ERISA, please respond as if this were the case.)

#### **10.5 INVESTMENT CONSULTING SERVICES**

1. Describe your firm's process for conducting fund and manager due diligence including the process for selecting, monitoring, placing on and off "watch" status, and replacing funds and managers.
2. Please provide a sample quarterly client performance report. Are these standard client reports? To what extent does the client have input in the content and format of the quarterly performance evaluation report? (This document does not count toward the total page count as listed in the Proposal Submission and Format section below).
3. Describe your firm's strategy for reducing fund and manager fees.
4. Describe your firm's process for selecting benchmarks used to provide the comparisons in client reports.
5. Describe your firm's processes for monitoring fiduciary, legislative, industry, and marketing trends and events. List any steps you take to keep your clients informed of developments in the marketplace. Please provide examples of correspondence, newsletters, and research reports.

#### **10.6 FEES**

1. Provide a fee schedule for each year of the initial six (6) year contract term for each of the following service types:
  - A. Quarterly retainer fee for investment and plan consulting services
  - B. Hourly ad hoc fees for additional services, if any, not included in the Scope of Work (Section 3)
  - C. Other expenses
2. List the type of performance guarantees, if any, you propose. Disclose the dollar amount you are willing to put at risk for failure to meet your proposed performance guarantee standard. You may add additional categories if desired.
3. Provide a fee quote for conducting a record keeper RFP for the City. Assume the RFP will generate up to eight (8) potential responses and will include:
  - A. Identifying RFP goals and objectives

- B. Developing the project plan
- C. Creating the RFP recipient list
- D. Developing and issuing the RFP in conjunction with the City's Procurement and Payable Department as applicable
- E. Providing written analysis of the responses
- F. Conducting (or assisting the Deferred Compensation Plan Committee with conducting) service provider interviews
- G. Assisting with contract negotiations
- H. Assisting with oversight of the transition/implementation process
- I. Attending additional meetings with City staff

## 10.7 REFERENCES

Please provide references for each category listed below, as applicable to your proposal.

1. Provide the name, title, and phone number of three (3) current defined contribution plan clients most similar in asset size to the Plan for which your proposed key consultants that would be assigned to this account would provide investment consulting services (457 clients preferred). Include the asset size of the plan and number of years as your client.
2. Provide the name, title, and phone number of three (3) clients who have terminated or elected not to renew your firm's investment consulting services in the past five (5) years. Please include any situations where you elected not to rebid. Also include the number of years as your client.
3. Provide the name, title, and phone number to three (3) current defined contribution plan clients most similar in asset size to the City of Tacoma's plan for which your proposed key consultants that would be assigned to this account would provide plan consulting services (457 clients preferred). Include the asset size of the plan and number of years as your client.
4. Provide the name, title, and phone number of three (3) clients who have terminated or elected not to renew your firm's plan consulting services in the past five (5) years. Please include any situations where you elected not to rebid. Also include the number of years as your client.

## 10.8 SUSTAINABILITY

Provide information on your company's commitment to the environment. Include your sustainability statement and current practices. For more information, see our [Respondents Guide](#).

A. Does the Respondent have an organizational sustainability plan and/or policy?

Yes  No

Provide additional information if checked "Yes," including whether it is made publicly available (provide link) and how it is communicated to employees.

B. Does the Respondent have:

- Greenhouse gas emission reduction targets?  Yes  No
- Energy and water conservation targets?  Yes  No
- Waste reduction targets?  Yes  No
- Toxics use reduction targets?  Yes  No
- Pollution reduction targets?  Yes  No
- Measure progress regularly and publicly?  Yes  No

C. How will the Respondent, through service delivery and/or their own operations during the contract period:

- Minimize greenhouse gas emissions?
- Minimize polluted stormwater runoff in Tacoma?
- Minimize waste generation?
- Minimize toxic use and/or generation?
- Minimize air pollution in Tacoma?
- Minimize resource extraction?

D. Demonstrate industry leadership across these areas? Is the Respondent an EnviroStars recognized business? Provide any relevant certifications and/or verified results.

## 10.9 EQUITY IN CONTRACTING

Is your firm, or the firm you are partnering with, certified with Washington State for any of the below categories. Confirmation of any of the below certifications will result in all points for this category.

- Combination Business Enterprise (CBE)
- Disadvantaged Business Enterprise (DBE)
- Minority Business Enterprise (MBE)
- Minority/Women Business Enterprise (MWBE)

- Small Business Enterprise (SBE)
- Socially and Economically Disadvantaged Business Enterprise (SEDBE)
- Women Business Enterprise (WBE)

**10.10 Credit Card Acceptance: 0 points**

Provide a statement regarding your ability to meet the City’s credit card requirements as well as identifying your reporting capabilities (Level I, II, or III). See the Standard Terms and Conditions for more information. This information is not a consideration in the evaluation process.

**10.11 Contract Exceptions – 0 points**

Do you take exceptions to any of the City of Tacoma's Standard Terms and Conditions?

**11. INTERVIEWS / ORAL PRESENTATIONS**

An invitation to interview may be extended to Respondents based on SAC review of the written submittals. The SAC reserves the right to adjust scoring based on additional information and/or clarifications provided during interviews. The SAC may determine additional scoring criteria for the interviews following evaluation of written submittals. Commitments made by the proposer at the oral interview, if any, will be considered binding.

The City reserves all rights to begin contract negotiations without conducting interviews.

Respondents must be available to interview within seven (7) business days’ notice. Failure to participate in the interview process will result in the proposer’s disqualification from further consideration.

If interviews are conducted, the SAC will schedule the interviews with the contact person provided on the Signature Page. Additional interview information will be provided at the time of invitation. At this time, it is anticipated that the main objective of the interview will be for the SAC to meet the project manager and key personnel that will have direct involvement with the project and hear about their relevant experience and expertise. The City does not intend to meet with firm officials unless they are to be directly involved with the project.

Following interviews, submittals will be rescored using the same criteria as in Section 10 above.

**12. RESPONSIVENESS**

Respondents agree their submittal is valid until a contract(s) has been executed.

All submittals will be reviewed by the City to determine compliance with the requirements and instructions specified in this RFP. The Respondent is specifically notified that failure to comply with any part of this RFP may result in rejection of the submittal as non-responsive. The City reserves the right, in its sole discretion, to waive irregularities deemed immaterial.

The final selection, if any, will be that submittal which, after review of submissions and potential interviews, in the sole judgement of the City, best meets the requirements set forth in this RFP.

### **13. ACCEPTANCE / REJECTION OF SUBMITTALS**

Respondents are advised that the City reserves the right to cancel award of this Contract at any time before execution of the Contract by both parties if cancellation is deemed to be in the City's best interest. In submitting a Submittal, Respondents agree that the City is not liable for any costs or damages for the cancellation of an award.

The City reserves the right and holds at its discretion the following rights and options:

- To waive any or all informalities
- To award one or more contracts
- To not award a contract
- To issue subsequent solicitation

### **14. CONTRACT OBLIGATION**

**Awardee shall be required to comply with 2 CFR part 25 and obtain a unique entity identifier and/or be registered in the federal System for Award Management as appropriate.**

The selected Respondent(s) will be expected to execute a contract with the City. As part of the negotiation process, Respondents may propose amendments to the contract, but the City, at its sole option, will decide whether to open discussion on each proposed amendment and determine the final contract to be used. At a minimum, any contract will incorporate the terms and conditions contained herein. The Submittal contents of the successful Respondent may become contractual obligations if a contract ensues.

### **15. STANDARD TERMS AND CONDITIONS**

City of Tacoma [Standard Terms and Conditions](#) apply.

### **16. INSURANCE REQUIREMENTS**

Successful proposer will provide proof of and maintain the insurance coverage in the amounts and in the manner specified in the City of Tacoma Insurance Requirements contained in this solicitation. Please see Appendix C.

### **17. PARTNERSHIPS**

The City will allow firms to partner in order to respond to this RFP. Respondents may team under a Prime Respondent's submittal in order to provide responses to all sections in a single submission; however, each Respondent's participation must be clearly delineated by section. The Prime Respondent will be considered the responding vendor and the responsible party at

contract award. All contract negotiations will be conducted only with the Prime Respondent. All contract payments will be made only to the Prime Respondent. Any agreements between the Prime Respondent and other companies will not be a part of the agreement between the City and the Prime Respondent. The City reserves the right to select more than one Prime Respondent.

## **18. COMMITMENT OF FIRM KEY PERSONNEL**

The Respondent agrees that key personnel identified in its submittal or during contract negotiations as committed to this project will, in fact, be the key personnel to perform during the life of this contract. Should key personnel become unavailable for any reason, the selected Respondent shall provide suitable replacement personnel, subject to the approval of the City. Substantial organizational or personnel changes within the agency are expected to be communicated immediately. Failure to do so could result in cancellation of the Contract.

## **19. AWARD**

After the Respondent(s) is selected by the SAC and prior to award, all other Respondents will be notified via email by the Purchasing Division.

Once a finalist (or finalists) has been selected by the Selection Advisory Committee, contract negotiations with that finalist will begin, and if a contract is successfully negotiated, it will, if required, be submitted for final approval by the Deferred Compensation Committee.

## **20. ENVIRONMENTALLY PREFERABLE PROCUREMENT**

In accordance with the [City's Sustainable Procurement Policy](#) and [Climate Action Plan](#), it is the policy of the City of Tacoma to encourage the use of products or services that help to minimize the environmental and human health impacts of City Operations. Respondents are encouraged to incorporate environmentally preferable products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, products, manufacturing, packaging, distribution reuse, operation, maintenance or disposal of the product or service.

The City of Tacoma encourages the use of sustainability practices and desires any awarded contractor(s) to assist in efforts to address such factors when feasible for:

- Durability, reusability, or refillable;
- Pollutant releases, especially persistent bioaccumulative toxins (PBTs), low volatile organic compounds (VOCs), and air quality and stormwater impacts;
- Toxicity of products used;
- Greenhouse gas emissions, including transportation of products and services, and embodied carbon
- Recycled content;

- Energy and water resource efficiency;

## **21. PROPRIETARY OR CONFIDENTIAL INFORMATION**

The Washington State Public Disclosure Act ([RCW 42.56 et seq.](#)) requires public agencies in Washington make public records available for inspection and copying unless they fall within the specified exemptions contained in the Act, or are otherwise privileged. Documents submitted under this RFP shall be considered public records and, with limited exceptions, will be made available for inspection and copying by the public.

Information that is confidential or proprietary must be clearly marked. Further, an index must be provided indicating the affected page number(s) and location(s) of all such identified material. Information not included in said index will not be reviewed for confidentiality or as proprietary before release.

## **22. ADDENDUMS**

In the event it becomes necessary to revise any part of this RFP, an addendum will be posted alongside specifications at [www.tacomapurchasing.org](http://www.tacomapurchasing.org). Failure to acknowledge addendum(s) on the required Signature Page may result in a submittal being deemed non-responsive by the City.

## **23. LEAP REQUIREMENTS**

This project has no LEAP requirements, however, the City of Tacoma is committed to equality in employment for WA-State approved Apprentices, City of Tacoma residents, residents of local economically distressed areas, youth, veterans, minorities, and women. Please contact the [LEAP Office](#) for assistance in locating qualified employees. Visit the [LEAP website](#) for more information.

## **24. EQUITY IN CONTRACTING**

This project has no EIC requirements, however, the City of Tacoma is committed to encouraging firms certified through the [Washington State Office of Minority and Women's Business Enterprise](#) to participate in City contracting opportunities. See **TMC 1.07 Equity in Contracting Policy** at the City's [Equity in Contracting Program website](#).

## **APPENDIX A**

Statement of Investment Policies & Guidelines

MissionSquare Investment Menu

Nationwide Investment Menu

**CITY OF TACOMA**  
457 Deferred Compensation Plan  
Statement of Investment Policies and Guidelines

Revised November 2024

## **INTRODUCTION AND PURPOSE**

This statement is set forth to provide an outline of the investment policies, guidelines and objectives related to the administration of the City of Tacoma 457 Deferred Compensation Plan (hereinafter “Plan”). The City of Tacoma Deferred Compensation Plan Committee administers and provides oversight for the Plan. The Plan is a voluntary, salary deferral retirement plan available to eligible City of Tacoma employees. The Plan’s purpose is to provide a vehicle for and to encourage additional retirement savings in order to supplement the other retirement benefits provided to City employees.

This Investment Policy Statement is further intended to assist the fiduciaries of the Plan in making investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the investment options and investment providers utilized by the Plan. This Investment Policy Statement will be reviewed at least annually and it can be revised at any time to reflect changes in the capital markets, plan participant objectives, or other factors relevant to the Plan.

The Plan Document for the Plan is the governing document and contains the specific Plan provisions and requirements for determining eligibility and operational processes for contributions and withdrawals. If any term or condition of this Investment Policy Statement conflicts with any term or condition in the Plan, the terms and conditions of the Plan as provided under the Plan Document shall control.

## **SUMMARY OF RESPONSIBILITIES**

**Plan Sponsor** – The City of Tacoma is the Plan Sponsor. The Plan Sponsor’s responsibilities include but are not limited to:

- Adopting and amending the Plan Document;
- Approving Plan services contracts;
- Appointing the Committee members; and
- Designating other fiduciaries of the Plan.

**Committee** – The City of Tacoma Deferred Compensation Committee (hereinafter “Committee”) has responsibility for the operation and administration of the Plan in accordance with the terms of the Plan Document. It is the intent of the Committee to fulfill its fiduciary responsibilities with respect to the Plan solely in the interest of the participants and beneficiaries. The Committee members, as fiduciaries, are to perform their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.\*

The Deferred Compensation Committee’s responsibilities also include but are not limited to the following:

- Selecting the investment design features of the Plan, including establishing the investment policy and objectives and the number and types of investment alternatives available to Plan participants;
- Appointing, monitoring and evaluating all investment providers and managers in accordance with guidelines and benchmarks established within this document and consistent with applicable laws;
- Selecting and monitoring other Plan service providers, including, but not limited to, the Plan record-keeper, trustee, investment consultants, accountants, and/or any other providers; and
- Monitoring Plan costs which are charged to Plan assets and/or paid by Plan participants, including but not limited to investment management fees, custodial fees and fees paid to other plan service providers from Plan and/or participant assets.

\* The City provides for a separate provider option for members of the Local 31 (Fire Fighters) bargaining group. This option has different pricing than the “primary plan” and is only available to members of Local 31. The Fire Fighter Plan has a different stable value investment option than the “primary” plan, though the other investment options are similar.

**Investment Consultant** – The Committee may engage an independent investment consultant (hereinafter “Consultant”) to assist in carrying out the duties and responsibilities of this Investment Policy Statement. Such Consultant must be registered with either State or Federal securities regulators pursuant to the Investment Advisors Act of 1940. The Consultant’s role is to provide information various investment related issues. The Consultant has no discretionary control or authority over the Plan and its assets. In its role as an advisor to the Committee the Consultant acknowledges a fiduciary role with respect to the investment advice provided to the Committee. The services of the Consultant will be set forth in a separate agreement.

**Investment Provider** – An entity that offers investment option products and manages assets for the Plan. Examples of investment option products offered by an investment provider may include mutual funds, commingled trust funds, separate accounts and/or variable annuity contracts.

**Investment Manager** – The person(s) at the Investment Provider responsible for implementing an investment option’s investing strategy and managing its portfolio trading activities.

**Services Provider** – An entity engaged to assist the Plan Sponsor and the Committee in regard to the administration of the Plan. This assistance includes Plan enrollment, communication, education, including providing general investment information to Plan participants regarding the procedures for making investment choices under the Plan. Additionally, the Services Providers should provide general information regarding each of the investment options offered under the Plan, required disclosures, distribution processing, record keeping and other administrative functions as prescribed in an agreement entered into between the Plan Sponsor and the Services Provider.

## **GENERAL COMPLIANCE**

The Plan is designed in accordance with the requirements of Section 457 of the Internal Revenue Code of 1986 (hereinafter “Code”), as amended. Though the Employee Retirement Income Security Act (ERISA) does not apply directly to the Plan, the Committee nevertheless intends to structure the Plan to contain certain features of a “404(c) Plan” within the meaning of the Department of Labor regulations under Section 404(c) of ERISA. The Plan participants will be solely responsible for the investment decisions and investment transactions that they make under this Plan as well as for electing the timing and form of distributions according to the terms of the Plan.

In keeping with the statutory framework of the Department of Labor regulations under ERISA Section 404(c), the Committee aims, within its available resources, to provide Plan participants with the following opportunities to:

- A. Choose from a minimum of three diverse investment categories, each with materially different risk and return characteristics. At least one of the categories will provide for a high degree of safety and capital preservation;

- B. Make investment decisions at least quarterly; and
- C. Receive or have access to the following information, as updated and as made available by the Services Provider:
  - A description of the investment options available under the Plan including a general description of the investment objectives, risk and return characteristics, and type and diversification of assets comprising each alternative;
  - Identification of the designated investment providers and investment options;
  - A description of any transaction fees or expenses charged to the participant's account, and information on costs and fees for an investment option that reduce the rate of return to participants (expense ratios); and
  - Prospectuses, annual reports, and semi-annual reports on investment option, if available.

### **GENERAL INVESTMENT POLICY, OBJECTIVES AND STANDARDS**

The Plan intends to foster an investment environment that encourages and facilitates participant efforts to supplement other sources of retirement income. Participants in the Plan are solely responsible for their own investment decisions and bear the risks and assume responsibility for the results of the investment options that they select. The Committee makes no representations, promises, or warranties regarding the suitability of Plan participation for any participant's individual investment or retirement needs. Additionally, the Committee makes no representations, promises or warranties about the performance of the Plan or the Plan's investment options.

The primary investment objective of the Plan is to present participants with a range of investment options, which give participants an opportunity to increase the value of their account in a manner consistent with varying levels of participant risk/reward tolerances and investment decision making skills. While the Plan cannot meet all plan participant investment preferences and attitudes, the Plan attempts to provide investment options for participants at various levels of investment sophistication and with varying requirements for risk and return.

Information that may be used to select which investment options to offer includes, but is not limited to, the following:

- Age, income and other demographic data on Plan participants
- Liquidity and administrative constraints imposed on the Plan by investment and/or service providers
- Development of new investment products in the marketplace
- Level of participant usage of a particular investment category or option

A risk/reward structure is basic to investments. Generally, those vehicles offering the greatest return over time also carry the highest risk or volatility of return. The inherent conflict between volatility and long-range asset accumulation can be lessened through diversification among asset categories or classes. To provide participants the opportunity to select risk/reward strategies and to diversify the Plan assets, the Plan will offer a number of investment alternatives in varying asset categories. These categories will have varying return and volatility characteristics and it is the responsibility of each participant to evaluate the investment options and to select an appropriate mix.

In addition to providing a range of investment options, the Plan seeks to provide investment options that are competitive in terms of performance relative to appropriate investment performance and risk benchmarks. The performance and risk relationships of the Plan's investment options will be reviewed periodically. Investment options should generally be given a full market cycle to achieve stated objectives (market cycles normally occur over 3-5 year time periods). Investment options are expected to meet (in the case of passively managed/indexed options) or exceed their pre-determined benchmark index net of fees. Where peer groups are definable, actively managed investment options are expected to perform within the upper half of a sample of same style peers net of fees. In addition to net investment performance, the options' risk characteristics will also be reviewed. The risk associated with an investment option generally should be similar to the same-style peer group.

## **INVESTMENT OPTIONS**

Investment options offered by the Plan will be categorized or grouped by similarities in investment objectives, style and risk. The Plan's services provider(s) and Consultant may be used to assist in determining the categories of investment options. The Plan will assist participants in meeting their long-term investment objectives by providing investment options within the following permitted investment categories (these categories are further explained later in this document):

### **A. Tier 1: Target Retirement Date Pre-Mixed Portfolios**

### **B. Tier 2: Asset Category Core Options**

- Fixed Stable Value/Guaranteed Investment Contract (GIC)
- Total Return Bond
- U.S. Large-Size Company Equity
- U.S. Mid-Size Company Equity
- U.S. Small-Size Company Equity
- Global Equity
- International Equity
- Socially Responsible

### **C. Tier 3: Self-Directed Brokerage**

Investment options and categories may be added or deleted as the Committee deems necessary. At least one investment option shall be available within each investment category.

The following table outlines the objectives and performance benchmarks for each of the Plan's investment options. The risk associated with an investment option will be compared to appropriate risk benchmarks or measures for a same-style group of peer investment options, where definable.

## TIER 1: TARGET RETIREMENT DATE PRE-MIXED PORTFOLIOS

<b>Lifecycle Premixed Portfolio - Retirement Income</b>	
Provide an asset allocation that is designed to deliver income generation, capital gains, and liquidity for investors in retirement. The portfolio will be well diversified including U.S. fixed income securities as well as U.S. and international equities. Stocks generally will comprise not more than 30% of the total portfolio. The percentage of international equities generally will not exceed 50% of the equity portion of the fund.	
<b>Benchmark Index:</b>	Custom Blended Index
<b>Peer Group:</b>	US Retirement Income

<b>Lifecycle Premixed Portfolio – 2020, 2025, 2030</b>	
Provide an asset allocation that is designed to deliver income generation, capital gains, and liquidity for investors whose expected retirement date matches the date provided in the portfolio’s name. Portfolios provide different allocations to stocks and bonds dependent upon the target retirement or withdrawal date that is selected. The portfolio will be well diversified including U.S. fixed income securities, and U.S. and international equities. Stocks generally will comprise 40%-65% of the total portfolio. The percentage of international equities generally will not exceed 50% of the equity portion of the fund.	
<b>Benchmark Index:</b>	Custom Blended Index
<b>Peer Groups:</b>	US Target Date 2020, US Target Date 2025, US Target Date 2030

<b>Lifecycle Premixed Portfolio – 2035, 2040, 2045, 2050, 2055, 2060, 2065, 2070</b>	
Provide an asset allocation that is designed to deliver income generation, capital gains, and liquidity for investors whose expected retirement date matches the date provided in the portfolio’s name. Portfolios provide different allocations to stocks and bonds dependent upon the target retirement or withdrawal date that is selected. The portfolio will be well diversified including U.S. fixed income securities, and U.S. and international equities. Stocks generally will comprise 65%-95% of the total portfolio. The percentage of international equities generally will not exceed 50% of the equity portion of the fund.	
<b>Benchmark Index:</b>	Custom Blended Index
<b>Peer Groups:</b>	US Target Date 2035, US Target Date 2040, US Target Date 2045, US Target Date 2050, US Target Date 2050, US Target Date 2055, US Target Date 2060, US Target Date 2065+

## TIER 2: ASSET CATEGORY CORE OPTIONS

<b>Fixed Stable Value/Guaranteed Investment Contract</b>	
<p>Provide high current income relative to cash investments and a high degree of investment safety without fluctuation of principal. Investment returns are derived primarily from interest income. A Fixed or General Account option, which is a fixed rate contract that is backed by an insurance company's balance sheet, is to be of mid-investment-grade rating or higher, and backed by a diversified pool of underlying investments. A stable value option will be invested in guaranteed investment contracts (GICs), "synthetic" portfolios, money market instruments, and others, each mainly comprised of investments of short- to intermediate maturity, and which provide for an adequate degree of liquidity. The weighted-average maturity is expected to remain between two and five years at most times for a stable value fund but may run up to ten years for Fixed Account options with less immediate liquidity needs. The overall weighted credit-quality rating of the option shall be the equivalent of mid-investment-grade rating or higher. The rating must be obtained from at least one credit rating agency such as Moody, S&amp;P or Duff &amp; Phelps. If the option's weighted rating declines below this level, the option will be evaluated for corrective action</p>	
<b>Benchmark Indexes:</b>	5 year Constant Maturity (CM) US Treasury, 90-Day US Treasury Bill,
<b>Peer Group:</b>	Stable Value

<b>Total Return Bond</b>	
<p>Provide capital appreciation and income through a diversified fixed income portfolio. The portfolio's duration is expected to be comparable to that of its Benchmark Index, with some bandwidth allowed for the manager to exercise strategic deviation from the Benchmark. Average credit quality is expected to be investment grade. The fixed income portfolio will normally be primarily comprised of investments including money market instruments, U.S. Government and Agency bonds, mortgage-backed securities, corporate bonds, and others. The manager will be given discretion to hold securities that are not contained within the Benchmark Index, which may include Foreign Bonds, High Yield Bonds, Convertibles, Treasury Inflation Protected Securities, derivatives, and others. The portfolio's aggregated composition and risk and return characteristics however are expected to be reflective of its asset class.</p>	
<b>Benchmark Index:</b>	Bloomberg US Aggregate Bond Index
<b>Peer Group:</b>	US Intermediate-Term Core Bond, US Intermediate-Term Core-Plus Bond

<b>U.S. Large Company Equity</b>	
<p>Provide long-term capital appreciation through a diversified common stock portfolio whose average market capitalization may be categorized as Large Cap by an industry standard data provider. Stocks of foreign companies that are traded in the U.S. may also be included, but are expected to constitute a minority portion of the portfolio.</p>	
<b>Benchmark Indexes:</b>	S&P 500 Index
<b>Peer Groups:</b>	US Large Blend

## TIER 2: ASSET CATEGORY CORE OPTIONS (cont.)

<b>U.S. Mid-Size Company Equity</b>	
Provide long-term capital appreciation through a diversified common stock portfolio whose average market capitalization may be categorized as Mid Cap by an industry standard data provider. Stocks of foreign companies may also be included, but are expected to constitute a minority portion of the portfolio.	
<b>Benchmark Indexes:</b>	MSCI US MC 450/CRSP US MC Index, Russell MC Growth Index, Russell MC Value Index
<b>Peer Groups:</b>	US Mid Blend, US Mid Growth, US Mid Value

<b>U.S. Small Company Equity</b>	
Provide long-term capital appreciation through a diversified common stock portfolio whose average market capitalization may be categorized as Small Cap by an industry standard data provider. Stocks of foreign companies may also be included, but are expected to constitute a minority portion of the portfolio.	
<b>Benchmark Indexes:</b>	MSCI US SC 1750/CRSP US SC Index, Russell 2000 Growth Index, Russell 2000 Value Index
<b>Peer Groups:</b>	US Small Blend, US Small Growth, US Small Value

<b>Global Equity</b>	
Provide long-term capital appreciation through a diversified actively managed portfolio of global equities. The fund normally invests in issuers from at least five different countries, including the United States.	
<b>Benchmark Indexes:</b>	MSCI AC World Index (Net)
<b>Peer Groups:</b>	US World Large Stock Blend

<b>International Equity</b>	
Provide long-term capital appreciation through a diversified portfolio of international equities. Stocks of emerging countries may be used at the discretion of the manager, but are expected to constitute a minority portion of the portfolio at most times.	
<b>Benchmark Indexes:</b>	MSCI AC World ex-USA (Net)/FTSE All-County World ex-US (net), MSCI AC World ex-USA Growth (net), MSCI AC World ex-USA Value (net)
<b>Peer Groups:</b>	US Foreign Blend, US Foreign Growth, US Foreign Value

<b>Socially Responsible</b>	
Provide long-term capital appreciation through a diversified, common stock portfolio of companies screened to meet selected “socially responsible” criteria. Stocks of foreign companies may be included, but are expected to constitute a minority portion of the portfolio.	
<b>Benchmark Index:</b>	S&P 500 (primary); Custom Index (secondary)*
<b>Peer Group:</b>	US Large Blend

\*Socially Responsible investments are to be compared to a primary benchmark that represents the fund’s broader peer group and investment style, and, if different, a secondary benchmark reflective of its ESG category.

### **TIER 3: SELF-DIRECTED BROKERAGE**

<b>Self-Directed Brokerage (SDB)</b>	
For Plan participants who consider themselves to be knowledgeable about investment principles, the Plan may offer a brokerage account option. Such option may be provided through one or more broker-dealers, as defined and regulated by the National Association of Securities Dealers, Securities Exchange Committee or State Securities Departments. Assets held in an SDB will be maintained in the name of the Plan Trustee or custodian for the benefit of the participant who established the account. Permissible investments for an SDB may include registered mutual funds and other securities permitted under State law. Futures and options are not permitted. It is the SDB account holder's responsibility to adhere to these and any other restrictions placed on him or her by the Committee, broker-dealer or regulatory body. It is also the account holder's responsibility not to engage in transactions prohibited by statute or any regulatory entity. Investment options available through the SDB may contain additional risks and are not monitored by the Committee. The Committee may further restrict permissible investments available in the SDB. Each SDB account holder will be responsible for his or her own commissions, fees or loads applicable to individual securities or mutual fund transactions for the account.	
<b>Benchmark Index:</b>	Not Applicable
<b>Peer Group:</b>	Not Applicable

### **INVESTMENT OPTION SELECTION GUIDELINES**

Investment options offered to participants will be provided through investment provider(s) accessible on the Services Provider's platform. Before introducing a new investment fund, the Committee, in consultation with the Consultant and Services Provider will define the niche to be filled and assess any prospective investment option's performance, quality, and risk characteristics. At a minimum, investment options under consideration should satisfy performance and risk considerations under actual, not modeled, conditions and over an appropriate time period. Investment option selection considerations may include, but are not limited to the following:

- The investment option should generally, but not necessarily, have a history that spans a full market cycle, normally three to five (3-5) years.
- The investment option should generally meet or exceed its predetermined benchmark index, net of fees.
- The investment option should generally perform at median or within the upper half of a recognized and defined sample of same-style peer funds.
- The investment option should be able to demonstrate a consistent performance track record attributable to a specific investment manager or team of managers.
- For Target Retirement Date Funds, the Committee shall consider the current and prospective composition of the Target Date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents.

### **INVESTMENT OPTION REVIEW GUIDELINES AND MONITORING**

Investment providers and investment managers are required to comply with all applicable laws, rules, and regulations. However, the Committee takes no responsibility for the failure of such option and/or investment manager to comply with any and all applicable laws, rules or regulations.

All options must have readily ascertainable market values and be easily marketable. It is recognized that

Stable Value/GIC funds often have liquidity restrictions. Investment options with sales loads, redemption fees, or other non-investment management related expenses will be avoided to the extent possible. Options with deferred sales charges and/or market value adjustments will not be permitted.

Each investment option portfolio shall be diversified adequately to reduce risk and comply with current regulations and applicable Washington state laws.

Investment option performance, risk and style consistency is intended to be evaluated on a quarterly basis. Performance and risk results will be evaluated using comparisons with this policy, pertinent market indices and against other same-style peers, where definable. When necessary, investment option performance and risk may be reviewed more frequently.

The Committee will periodically review the investment options' progress in meeting the Plan's investment objectives. Investment options will be expected to comply with all stated investment objectives, guidelines and applicable rules contained in the prospectus or fund fact sheet. The Committee will review the performance of investment options quarterly to determine if they are achieving the established objectives. Investment performance reviews may include, but are not limited to, a review of:

- Investment portfolios;
- Fees and expenses;
- Investment style, process and philosophy;
- Investment management personnel; and
- Index tracking error.

The performance review will also include measuring the options' investment performance relative to stated benchmarks or respective indexes and peer groups; as well as the monitoring risk measures. The following will be evaluated:

### **QUANTITATIVE MEASURES**

**Active Investment Strategies.** Options employing active management are expected to outperform their stated asset class or style benchmark net of all management fees over a trailing five year time period; and to rank above the 50<sup>th</sup> percentile of the appropriate peer group for the same trailing five year time period. It is also expected that the risk of each option, as defined by standard deviation of returns, be commensurate with the prescribed strategy relative to the appropriate market index and/or peer group. Target Date funds will be evaluated relative to customized passive benchmarks, comprised of two or more market indices allocated in a manner reasonably consistent with the stated asset allocation of the fund. Each Target Date fund will be compared to a passive benchmark developed specifically for the fund. The fund should exhibit risk and return characteristics that are reasonably consistent with the passive benchmark. After expenses, the fund should not systematically underperform the passive benchmark, nor should its expenses exceed the category average.

**Passive Investment Strategies.** Passive Options are expected to track the performance of the index strategy that the option is designed to replicate, less management fees, with marginal tracking error. It is also expected that the risk of each passive option, as defined by standard deviation of returns, be commensurate with the appropriate market index.

It should also be noted that certain passive investment options operate in a marketplace that includes foreign

markets whose exchanges close prior to those of the United States. In these instances, some fund managers may engage in a method of “Fair Value Pricing,” whereby the managers adjust the pricing of securities in the Fund to reflect any information that has become available after the close of the applicable foreign exchange market. Discrepancies in performance between the applicable investment option and its performance benchmark that are due to “Fair Value Pricing” and other common index fund tracking factors (such as the timing of market closures, management fees, benchmark nuances, and others) will be taken into consideration in evaluating performance of the affected investment options and generally will not be counted as underperformance.

### **QUALITATIVE MEASURES**

The options will also be monitored on an ongoing basis for other material changes which the Committee may determine are of importance to the decision of whether or not to retain an investment option, such as personnel departures; organizational changes; or alterations in investment style, philosophy, or strategy; and adherence to stated guidelines.

**Time Periods.** The Committee acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term time-periods. Recognizing that short-term fluctuations may cause variations in an option’s performance, the Committee intends to employ investment options with long-term investment strategies and will evaluate option performance from a long-term perspective. Performance over market cycles of three to five years will be weighted more heavily than performance over shorter time periods, such as one year or less.

In addition to the qualitative and quantitative measures referenced above, the Committee will also review the investment options’ risk characteristics in relation to that performance. Risk will be measured in various ways including, but not limited to:

- Standard deviation
- Downside risk or semi-variance
- Risk/return ratios such as Sharp or Treynor Ratios
- Other statistical measures such as Beta, Alpha and Variance
- The current and prospective composition of the Target Date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents.

### **INVESTMENT OPTION TERMINATION AND WATCH GUIDELINES**

Generally, all investment options 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. The Committee recognizes the long-term nature of retirement plan investing and the variability of market returns. Periodic underperformance in any of the criteria outlined in this Investment Policy will not necessitate the termination of an option; however, any underperformance will result in consideration by the Committee of the factors causing underperformance and possible courses of action that the Committee may take.

The Committee may, at any time, place any investment option that it views as having a pattern of underperformance on a watch-status. Reasons the Committee might place an option 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

- Gross of fee and any fair value adjustment performance tracking error relative to the respective index that is greater than 15 basis points over a trailing five year period

### Target Date Options Composed of Passively Managed Options

- Net of fee performance tracking error relative to the respective index that is greater than 15 basis points (0.15%) for the trailing five year period, combined with
- Performance below the median of its peer group over a trailing five year period.

Target Date funds will be evaluated based on the performance of the entire suite as held within the Plan. A Target Date suite will normally be viewed as being in violation of investment policy performance criteria if over one-half of the funds in a Target Date suite held within the Plan lag this Investment Policy Statement's prescribed performance measures. The Committee may elect to deviate from this approach if it appears reasonable to do so.

## 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.

An investment option may remain on watch status until the Committee decides to take further action. Committee actions include, but are not limited to, the following:

- Removing the investment option from watch status; and
- Terminating the investment option and reallocating the assets to an alternate or replacement investment option by Committee direction.

To be removed from quantitative, performance related watch status, generally, performance for the preceding five year trailing periods should be above the benchmark index or median for at least two consecutive quarters. However, barring any breakdown in process, the Committee may decide to leave an option on watch for as long as they feel it is prudent to do so.

The Committee reserves the right to terminate investment option relationships at any time, for any reason when it determines such termination is in the best interests of the Plan and its participants and beneficiaries. Upon termination, further contributions or transfers to an investment option may be frozen, or the option may be replaced with or without transferring existing assets from the replaced option. Once the decision to terminate an option and remove it from the Plan is made, asset transfer and liquidation should be handled to

the best advantage of the Plan, with due consideration given to the anticipated effect on affected participants and beneficiaries.

**INVESTMENT OVERSIGHT RESPONSIBILITY AND PROXY VOTING**

The Committee shall have overall responsibility for the selection, monitoring and termination of all investment managers. Additionally, the Committee shall be responsible for reviewing and maintaining these investment policies and guidelines.

Proxy voting rights shall be exercised in the best interest of the participants and beneficiaries of the Plan. The Committee may delegate the responsibility for promptly voting all proxies and related actions in a manner consistent with the long term interest and objectives of the Plan. The Committee shall keep records of the voting of proxies and related actions and will comply with all applicable regulatory obligations.

On behalf of the City of Tacoma Deferred Compensation Plan this Investment Policy Statement is adopted by the Committee and effective on this date:

By: *Christopher D Bacha*

Name: Christopher D Bacha, Chair  
Deferred Compensation Committee

Date: December 18, 2024

## **GLOSSARY**

### **Annualized Return**

Rate of return of the account smoothed as though the return occurred equally over twelve-month periods. When the specified time frame is for less than a year, the rate of return is projected as though the same performance continues to occur for a twelve-month period.

### **Benchmarks**

A standard against which the performance of the portfolio can be measured, typically against a standard index, although a client manager may also set the benchmark.

### **Duration**

The weighted maturity of a fixed-income investment's cash flows, used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond's price (a bond's cash flows consist of coupon payments and repayment of capital). A bond's duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, where maturity and duration are equal.

### **Growth Style Investing**

Growth investors purchase companies that have above-average earnings growth and/or above-average sales growth rates.

### **Investment Objectives**

The overall financial objectives of an investor. For example, whether the investor requires income or capital appreciation. The investor's objectives govern the investment strategy.

### **Large Cap**

Large Capitalization – refers to those companies with a market capitalization categorized as Large Cap by an industry standard data provider.

### **Liquidity**

The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

### **Market Capitalization**

The dollar value of a public company based on the total number of shares of stock available multiplied by the price per share.

### **Mid Cap**

Mid Capitalization – refers to those companies with a market capitalization categorized as Mid Cap by an industry standard data provider.

### **Net of Fees**

After subtraction of management fees.

### **Peer Group**

Contemporaries of the same asset class that can be compared against one another to achieve a larger sense of how the particular portfolio is performing.

**Portfolio**

Refers to the complete list of securities held in an investment vehicle.

**Small Cap**

Small Capitalization – refers to those companies with a market capitalization categorized as Small Cap by an industry standard data provider.

**Standard Deviation**

Measures the range of returns and is based on a Normal Curve. Managers with lower standard deviations than the index have historically had returns that tended to fall closer to their mean return compared to the index. Managers with higher standard deviations than the index have historically had returns that tended to be further dispersed around the mean than the index. This is another measure of volatility, but it doesn't distinguish downside performance from upside performance.

**Value Style Investing**

Value investors rely on an examination of the underlying or unrealized value of a company as the primary criterion for deciding whether or not to buy a company's stock. Value stocks are often priced lower than growth stocks due to slower growth expectations, recent financial difficulty, or a host of other reasons.

## MissionSquare Investment Menu

Assets as of March 31, 2025

	Asset-ID	End Balance	Alloc %
<b>Fixed Income</b>		<b>108,491,749</b>	<b>18.91</b>
MissionSquare PLUS Fund R13	92210j135	91,073,509	15.87
Dodge & Cox Income X	DOXIX	11,478,181	2.00
Vanguard Total Bond Market Index I	VBPIX	5,940,060	1.04
<b>Large Cap</b>		<b>153,289,597</b>	<b>26.72</b>
Vanguard Institutional Index Instl	VINIX	76,428,533	13.32
T. Rowe Price U.S. Equity Research I	PCCOX	76,861,064	13.40
<b>Mid Cap</b>		<b>44,402,662</b>	<b>7.74</b>
JHancock Disciplined Value Mid Cap R6	JVMRX	6,619,615	1.15
Vanguard Mid Cap Index Instl	VMCIX	21,667,478	3.78
MFS Mid Cap Growth R6	OTCKX	16,115,569	2.81
<b>Small Cap</b>		<b>27,947,319</b>	<b>4.87</b>
DFA US Targeted Value I	DFFVX	5,262,117	0.92
Vanguard Small Cap Index Instl	VSCIX	16,119,178	2.81
Vanguard Explorer Adm	VEXRX	6,566,024	1.14
<b>International</b>		<b>33,633,521</b>	<b>5.86</b>
American Funds Global Insight R6	RGLGX	11,985,805	2.09
Dodge & Cox International Stock X	DOXFX	8,802,067	1.53
Vanguard Total Intl Stock Index I	VTSNX	5,960,800	1.04
American Funds EuroPacific Growth R6	RERGX	6,884,849	1.20
<b>Asset Allocation</b>		<b>168,822,753</b>	<b>29.42</b>
Vanguard Target Retirement Income Trust II	92202v740	18,043,815	3.14
Vanguard Target Retirement 2020 Trust II	92202v716	14,458,011	2.52
Vanguard Target Retirement 2025 Trust II	92202v690	26,490,003	4.62
Vanguard Target Retirement 2030 Trust II	92202v682	26,295,292	4.58
Vanguard Target Retirement 2035 Trust II	92202v674	23,548,323	4.10
Vanguard Target Retirement 2040 Trust II	92202v666	23,494,614	4.09
Vanguard Target Retirement 2045 Trust II	92202v658	15,386,019	2.68
Vanguard Target Retirement 2050 Trust II	92202v641	15,042,292	2.62
Vanguard Target Retirement 2055 Trust II	92202v476	2,850,290	0.50
Vanguard Target Retirement 2060 Trust II	92202v195	2,398,514	0.42
Vanguard Target Retirement 2065 Trust II	2202v138	815,579	0.14
<b>Specialty</b>		<b>10,321,704</b>	<b>1.80</b>
Vanguard FTSE Social Index I	VFTNX	10,321,704	1.80
<b>SBBA</b>		<b>23,202,761</b>	<b>4.04</b>
Self-Directed Brokerage		23,202,761	4.04
<b>Total</b>		<b>570,112,066</b>	

## Nationwide Investment Menu

Assets as of March 31, 2025

	Asset-ID	End Balance	Alloc %	
<b>Fixed Income</b>		<b>11,055,058</b>	<b>9.63</b>	
	Vanguard Federal Money Market Inv	VMFXX	3,164,752	2.76
	Nationwide Fixed Account		5,840,039	5.09
	Dodge & Cox Income X	DOXIX	956,395	0.83
	Vanguard Total Bond Market Index I	VBPIX	1,093,871	0.95
<b>Large Cap</b>		<b>21,851,698</b>	<b>19.04</b>	
	Vanguard Institutional Index Instl	VINIX	15,544,633	13.54
	T. Rowe Price U.S. Equity Research I	PCCOX	6,307,065	5.5
<b>Mid Cap</b>		<b>4,635,659</b>	<b>4.04</b>	
	JHancock Disciplined Value Mid Cap R6	JVMRX	702,219	0.61
	Vanguard Mid Cap Index Instl	VMCIX	3,473,513	3.03
	MFS Mid Cap Growth R6	OTCKX	459,926	0.4
<b>Small Cap</b>		<b>3,603,512</b>	<b>3.14</b>	
	DFA US Targeted Value I	DFFVX	641,791	0.56
	Vanguard Small Cap Index Instl	VSCIX	2,497,064	2.18
	Vanguard Explorer Adm	VEVRX	464,657	0.4
<b>International</b>		<b>4,457,087</b>	<b>3.88</b>	
	American Funds Global Insight R6	RGLGX	1,918,052	1.67
	Dodge & Cox International Stock X	DOXFX	340,991	0.3
	Vanguard Total Intl Stock Index I	VTSNX	1,268,699	1.11
	American Funds EuroPacific Growth R6	RERGX	929,344	0.81
<b>Asset Allocation</b>		<b>51,156,368</b>	<b>44.57</b>	
	Vanguard Target Retirement Income Trust II	92202v740	1,528,260	1.33
	Vanguard Target Retirement 2020 Trust II	92202v716	2,696,029	2.35
	Vanguard Target Retirement 2025 Trust II	92202v690	5,383,949	4.69
	Vanguard Target Retirement 2030 Trust II	92202v682	4,298,809	3.75
	Vanguard Target Retirement 2035 Trust II	92202v674	7,966,342	6.94
	Vanguard Target Retirement 2040 Trust II	92202v666	9,747,540	8.49
	Vanguard Target Retirement 2045 Trust II	92202v658	7,348,601	6.4
<b>Total</b>		<b>113,197,100</b>		

**APPENDIX B**

Signature Page

**SIGNATURE PAGE**

**CITY OF TACOMA  
HUMAN RESOURCES**

All submittals must be in ink or typewritten, executed by a duly authorized officer or representative of the bidding/proposing entity, and received and time stamped as directed in the **Request for Proposals page near the beginning of the specification**. If the bidder/proposer is a subsidiary or doing business on behalf of another entity, so state, and provide the firm name under which business is hereby transacted.

**REQUEST FOR PROPOSALS SPECIFICATION NO. HR25-0138F  
Deferred Compensation Financial Advisor**

The undersigned bidder/proposer hereby agrees to execute the proposed contract and furnish all materials, labor, tools, equipment and all other facilities and services in accordance with these specifications.

The bidder/proposer agrees, by submitting a bid/proposal under these specifications, that in the event any litigation should arise concerning the submission of bids/proposals or the award of contract under this specification, Request for Bids, Request for Proposals or Request for Qualifications, the venue of such action or litigation shall be in the Superior Court of the State of Washington, in and for the County of Pierce.

**Non-Collusion Declaration**

*The undersigned bidder/proposer hereby certifies under penalty of perjury that this bid/proposal is genuine and not a sham or collusive bid/proposal, or made in the interests or on behalf of any person or entity not herein named; and that said bidder/proposer has not directly or indirectly induced or solicited any contractor or supplier on the above work to put in a sham bid/proposal or any person or entity to refrain from submitting a bid/proposal; and that said bidder/proposer has not, in any manner, sought by collusion to secure to itself an advantage over any other contractor(s) or person(s).*

\_\_\_\_\_  
Bidder/Proposer's Registered Name

\_\_\_\_\_  
Signature of Person Authorized to Enter      Date  
into Contracts for Bidder/Proposer

\_\_\_\_\_  
Address

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
(Area Code) Telephone Number / Fax Number

\_\_\_\_\_  
Authorized Signatory E-Mail Address

\_\_\_\_\_  
State Business License Number  
in WA, also known as UBI (Unified Business Identifier) Number

\_\_\_\_\_  
E.I.No. / Federal Social Security Number Used on Quarterly  
Federal Tax Return, U.S. Treasury Dept. Form 941

\_\_\_\_\_  
State Contractor's License Number  
(See Ch. 18.27, R.C.W.)

\_\_\_\_\_  
E-Mail Address for Communications

Addendum acknowledgement #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_ #4 \_\_\_\_\_ #5 \_\_\_\_\_

***THIS PAGE MUST BE SIGNED AND RETURNED WITH SUBMITTAL.***

**APPENDIX C**

Sample Contract

City of Tacoma Insurance Requirements

## SERVICES CONTRACT

Click here for the [Contract Questionnaire Popup Quick Reference](#)

Start Questionnaire

Finalize Document

THIS CONTRACT, made and entered into effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (EFFECTIVE DATE) by and between the CITY OF TACOMA, a municipal corporation of the State of Washington (hereinafter referred to as the "CITY"), and **[INSERT legal name of Supplier exactly as it appears in Ariba]**, (hereinafter referred to as "CONTRACTOR");

In consideration of the mutual promises and obligations hereinafter set forth, the Parties hereto agree as follows:

### 1. Scope of Services/Work

The CONTRACTOR agrees to diligently and completely perform the services and/or deliverables consisting of [INSERT A BRIEF DESCRIPTION OF THE WORK TO BE PERFORMED] as is described in Exhibit XXXXX [A, B, ETC., if needed] attached hereto and incorporated herein.

### 2. Order of Precedence

To the extent there is any discrepancy or conflict between and/or amongst the terms of this Contract and Exhibit(s) \_\_\_\_\_, the controlling terms for this Contract will be interpreted in the following order of precedence, with the first listed being the most controlling, and the last listed being the least controlling: Contract, Exhibit \_\_\_\_, Exhibit \_\_\_\_\_. [INSERT EXHIBIT REFERENCES IN ORDER OF WHICH IS MOST CONTROLLING]

### 3. Changes to Scope of Work

The CITY shall have the right to make changes within the general scope of services and/or deliverables upon execution in writing of a change order or amendment hereto. If the changes will result in additional work effort by CONTRACTOR, the CITY will agree to reasonably compensate the CONTRACTOR for such additional effort up to the maximum amount specified herein or as otherwise provided by City Code.

### 4. On Call Contracts

If the services and deliverables performed under this Contract are on an on call or as assigned basis, service and deliverables may be assigned by Task Authorization or Statements of Work, are subject to Section 9, and cannot augment any other work that the CONTRACTOR is doing for the CITY on another Contract. Actual compensation will depend upon the actual purchases made by the City during the life of this Contract and will be paid at the rates set in Exhibit A

### 5. Term

All services shall be satisfactorily completed on or before [INSERT CONTRACT TERMINATION DATE] and this Contract shall expire on said date unless mutually extended by a written and executed Amendment to this Contract.

## **6. Renewals**

At CITY's sole option, the Term of this Contract may be renewed for additional [INSERT THE RENEWAL PERIOD - 1 YEAR, ETC] periods, not to exceed [INSERT THE MAXIMUM NUMBER OF RENEWAL PERIODS]. CITY will provide written notice of its intent to exercise any renewal options at least 30 days prior to the then existing Term and a written Amendment to this Contract will be mutually executed.

## **7. Delay**

Neither party shall be considered to be in default in the performance of this Contract to the extent such performance is prevented or delayed by any cause which is beyond the reasonable control of the affected party and, in such event, the time for performance shall be extended for a period equal to any time lost as a result thereof. In the event CONTRACTOR is unable to proceed due to a delay solely attributable to CITY, CONTRACTOR shall advise CITY of such delay in writing as soon as is practicable.

## **8. Compensation**

The CITY shall compensate the CONTRACTOR for the services and deliverables performed under this Contract [in accordance with OR on the basis of] [INSERT DESCRIPTION OF COMPENSATION ARRANGEMENTS – REFERENCE EXHIBIT, TIME AND MATERIALS, LUMP SUM ETC.]

## **9. Not to Exceed Amount**

The total price to be paid by CITY for CONTRACTOR'S full and complete performance of the Scope of Work hereunder shall not exceed \$ [INSERT TOTAL AMOUNT OF CONTRACT] plus applicable taxes without a written and executed Amendment to this Contract. Said price shall be the total compensation for CONTRACTOR'S performance hereunder including, but not limited to, all work, deliverables, materials, supplies, equipment, subcontractor's fees, and all reimbursable travel and miscellaneous or incidental expenses to be incurred by CONTRACTOR.

In the event the CONTRACTOR incurs cost in excess of the sum authorized for service under this Contract, the CONTRACTOR shall pay such excess from its own funds, and the CITY shall not be required to pay any part of such excess, and the CONTRACTOR shall have no claim against the CITY on account thereof.

## **10. Payment**

CONTRACTOR shall submit XXXXXXXX {monthly, weekly, annual, Contract milestone, etc.} invoices for services completed and/or deliverables furnished during the invoice period. Upon CITY'S request, CONTRACTOR shall submit necessary and appropriate documentation, as determined by the CITY, for all invoiced services and deliverables.

Payment shall be made through the CITY'S ordinary payment process, and shall be considered timely if made within 30 days of receipt of a properly completed invoice. All payments shall be subject to adjustment for any amounts, upon audit or otherwise, determined to have been improperly invoiced. The CITY may withhold payment to the CONTRACTOR for any services or deliverables not performed as required hereunder until such time as the CONTRACTOR modifies such services or deliverables to the satisfaction of the CITY.

## **11. Payment Method**

The City's preferred method of payment is by ePayables (Payment Plus), followed by credit card (aka procurement card), then Electronic Funds Transfer (EFT) by Automated Clearing House (ACH), then check or other cash equivalent. CONTRACTOR may be required to have the capability of accepting the City's ePayables or credit card methods of payment. The City of Tacoma will not accept price changes or pay additional fees when ePayables (Payment Plus) or credit card is used. The City, in its sole discretion, will determine the method of payment for this Contract.

## **12. Independent Contractor Status**

The services and deliverables shall be furnished by the CONTRACTOR as an independent Contractor, and nothing herein contained shall be construed to create an employer and employee relationship. The CONTRACTOR shall provide at its sole expense all materials, office space, and other necessities to perform its duties under this Contract, unless stated otherwise in this Contract. No payroll or employment taxes of any kind shall be withheld or paid by the CITY with respect to payments to CONTRACTOR. The payroll or employment taxes that are the subject of this paragraph include, but are not limited to, FICA, FUTA, federal income tax, state personal income tax, state disability insurance tax and state unemployment insurance tax. By reason of CONTRACTOR's status as an independent Contractor hereunder, no workers' compensation insurance has been or will be obtained by the CITY on account of CONTRACTOR. CONTRACTOR may be required to provide the CITY proof of payment of these said taxes and benefits. If the CITY is assessed or deemed liable in any manner for those charges or taxes, the CONTRACTOR agrees to hold the CITY harmless from those costs, including attorney's fees.

## **13. Services Warranty**

The CONTRACTOR warrants that all services performed pursuant to this Contract shall be generally suitable for the use to which CITY intends to use said services and deliverables as expressed in the Scope of Work. In the performance of services under this Contract, the CONTRACTOR and its employees further agree to exercise the degree of skill and care required by customarily accepted good practices and procedures followed by professionals or service providers rendering the same or similar type of service. All obligations and services of the CONTRACTOR hereunder shall be performed diligently and completely according to such professional standards.

Unless a higher standard or longer periods of warranty coverage for product deliverables provided under this Contract is provided herein, CONTRACTOR agrees to correct any defect or failure of deliverables supplied under this Contract which occurs

within one year from \_\_\_\_\_ [FILL IN APPROPRIATE TIME FRAME, E.G. GO LIVE, FIRST USE, ETC]. During said warranty period, all of the costs (including shipping, dismantling and reinstallation) of repairs or corrections is the responsibility of the CONTRACTOR. If CONTRACTOR is not the manufacturer of the item of equipment, CONTRACTOR agrees to be responsible for this warranty and shall not be relieved by a lesser manufacturer's guarantee. This Contract warranty period shall be suspended from the time a significant defect is first documented by the CITY until repair or replacement by CONTRACTOR and acceptance by the CITY. In the event less than ninety (90) days remain on the warranty period (after recalculating), the warranty period shall be extended to allow for at least ninety (90) days from the date of repair or replacement and acceptance by the CITY.

#### **14. Reliance on CITY Provided Data or Information**

If the CONTRACTOR intends to rely on information or data supplied by the CITY, other CITY contractors or other generally reputable sources without independent verification, such intent shall be brought to the attention of the CITY.

#### **15. Contract Administration**

[INSERT NAME TITLE AND DEPARTMENT OF CONTRACT ADMINISTRATOR] for the CITY shall have primary responsibility for contract administration and approval of services to be performed by the CONTRACTOR, and shall coordinate all communications between the CONTRACTOR and the CITY.

#### **16. Specific Personnel**

If before, during, or after the execution of this Contract, CONTRACTOR represents to the CITY that certain personnel would or will be responsible for performing services and deliverables under this Contract, then the CONTRACTOR is obligated to ensure that said personnel perform said Contract services to the maximum extent permitted by law. This Contract provision shall only be waived by written authorization by the CITY, and on a case-by-case basis.

#### **17. Right to Audit**

During the Term of this Contract, and for six (6) years thereafter, the CITY shall have the right to inspect and audit during normal business hours all pertinent books and records of the CONTRACTOR and/or any sub-contractor or agent of CONTRACTOR that performed services or furnished deliverables in connection with or related to the Scope of Work hereunder as reasonably needed by CITY to assess performance, compliance and quality assurance under this Contract or in satisfaction of City's public disclosure obligations, as applicable.

CONTRACTOR shall, upon three (3) business days of receipt of written request for such inspection and audit from CITY, provide the CITY with, or permit CITY to make, a copy of any work-related books, accounts, records and documents, in whole or in part, as specified in such request. Said inspection and audit shall occur in Pierce County, Washington or such other reasonable location as the CITY selects. The CITY shall bear the cost of any inspection audit requested hereunder, provided, that if an inspection

audit in accordance with the foregoing provisions discloses overpricing or overcharges (of any nature) by the CONTRACTOR to the CITY in excess of one percent (1%) of the total contract billings, in addition to making adjustments for the overcharges, the reasonable actual cost of the CITY's audit shall be reimbursed to CITY by CONTRACTOR. Any adjustments or payments that must be made as a result of any audit and inspection hereunder shall be made no later than 90 days from presentation of CITY's findings to CONTRACTOR.

CONTRACTOR shall ensure that the foregoing inspection, audit and copying rights of the CITY are a condition of any subcontract, agreement or other arrangement under which any other person or entity is permitted to perform the Scope of Work under this Contract.

**18. Records Retention**

The CONTRACTOR shall establish and maintain records in accordance with requirements prescribed by the CITY, with respect to all matters related to the performance of this Contract. Except as otherwise authorized by the CITY, the CONTRACTOR shall retain such records for a period of \_\_\_\_\_ [INSERT THE TIME THE RECORDS SHOULD BE KEPT. MOST COMMON IS 6 YEARS] years after receipt of the final payment under this Contract or termination of this Contract.

If CONTRACTOR retains any City records or data hosted in a Cloud Service. CITY shall have the ability to access its records hosted in a Cloud Service at any time during the Term of this Contract. CITY may export and retrieve its records during the Term of the Contract and, no later than 30 days from the termination of this Contract, CONTRACTOR shall export CITY records to City's custody and control.

**19. Notices**

Except for routine operational communications, which may be delivered personally or transmitted by electronic mail all notices required hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed first-class mail, postage prepaid, to the parties at the following addresses:

CITY: Name: Title: Address: Telephone No.: E-mail:	CONTRACTOR: Name: Title: Address: Telephone No.: E-mail:
---	---

**20. Termination**

Except as otherwise provided herein, the CITY may terminate this Contract at any time, with or without cause, by giving ten (10) business days written notice to CONTRACTOR.

In the event of termination, all finished and unfinished work prepared by the CONTRACTOR pursuant to this Contract shall be provided to the CITY. In the event CITY terminates this Contract due to the CITY's own reasons and without cause due to the CONTRACTOR's actions or omissions, the CITY shall pay the CONTRACTOR the amount due for actual work and services necessarily performed under this Contract up to the effective date of termination, not to exceed the total compensation set forth herein. Termination of this Contract by CITY shall not constitute a waiver of any claims or remaining rights the CITY may have against CONTRACTOR relative to performance hereunder.

## **21. Suspension**

The CITY may suspend this Contract, at its sole discretion, upon seven (7) business days' written notice to the CONTRACTOR. Such notice shall indicate the anticipated period of suspension. Any reimbursement for expenses incurred due to the suspension shall be limited to the CONTRACTOR'S reasonable expenses and shall be subject to verification. The CONTRACTOR shall resume performance of services under this Contract without delay when the suspension period ends. Suspension of this Contract by CITY shall not constitute a waiver of any claims or remaining rights the CITY may have against CONTRACTOR relative to performance hereunder.

## **22. Taxes**

Unless stated otherwise in Exhibit A, CONTRACTOR is responsible for the payment of all charges and taxes applicable to the services performed under this Contract, and CONTRACTOR agrees to comply with all applicable laws regarding the reporting of income, maintenance of records, and all other requirements and obligations imposed pursuant to applicable law. If the CITY is assessed, made liable, or responsible in any manner for such charges or taxes, the CONTRACTOR holds CITY harmless from such costs, including attorney's fees.

If CONTRACTOR fails to pay any taxes, assessments, penalties, or fees imposed by any governmental body, including by Tacoma City ordinance, and including by a court of law, CITY will deduct and withhold or pay over to the appropriate governmental body those unpaid amounts upon demand by the governmental body. Any such payments shall be deducted from the CONTRACTOR's total compensation.

## **23. Licenses and Permits**

The CONTRACTOR, at its expense, shall obtain and keep in force any and all necessary licenses and permits. The CONTRACTOR shall obtain a business license as required by Tacoma Municipal Code Subtitle 6B.20 and shall pay business and occupation taxes as required by Tacoma Municipal Code Subtitle 6A.30. If applicable, CONTRACTOR must have a Washington state business license.

## **24. Indemnification**

CONTRACTOR shall indemnify, defend, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers, from any and all claims, demands, damages, lawsuits, liabilities, losses, liens, expenses and costs arising out of the subject

matter of this Contract; provided that this provision shall not apply to the extent that damage or injury results from the sole negligence of the CITY, or its officers, agents, or employees. This indemnification shall extend to and include attorneys' fees and the cost of establishing the right of indemnification hereunder in favor of the CITY. This indemnification shall survive the termination of this Contract.

It is expressly agreed that with respect to design professional services performed by CONTRACTOR herein, CONTRACTOR's duty of indemnification, including the duty and cost to defend, against liability for damages arising out of such services or out of bodily injury to persons or damage to property shall, as provided in RCW 4.24.115 apply only to the extent of CONTRACTOR's negligence.

CONTRACTOR hereby warrants and represents CONTRACTOR is owner of any products, solutions or deliverables provided and licensed under this Contract or otherwise has the right to grant to CITY the licensed rights under this Contract, without violating the rights of any third party worldwide. CONTRACTOR shall, at its expense, defend, indemnify and hold harmless CITY and its employees, officers, directors, contractors, agents and volunteers from any claim or action against CITY which is based on a claim against CITY for infringement of a patent, copyright, trademark, or other propriety right or appropriation of a trade secret.

## **25. Title 51 Waiver**

CONTRACTOR specifically assumes potential liability for actions brought by the CONTRACTOR'S own employees against the CITY and, solely for the purpose of this indemnification and defense, the CONTRACTOR specifically waives any immunity under the state industrial insurance law, Title 51 RCW. THE CONTRACTOR RECOGNIZES THAT THIS WAIVER WAS THE SUBJECT OF MUTUAL NEGOTIATION.

## **26. Insurance**

During the course and performance of the services herein specified, CONTRACTOR will maintain the insurance coverage in the amounts and in the manner specified in the City of Tacoma Insurance Requirements as is applicable to the services and deliverables provided under this Contract. The City of Tacoma Insurance Requirements documents are fully incorporated herein by reference.

Failure by City to identify a deficiency in the insurance documentation provided by Contractor or failure of City to demand verification of coverage or compliance by Contractor with these insurance requirements shall not be construed as a waiver of Contractor's obligation to maintain such insurance.

## **27. Nondiscrimination**

The CONTRACTOR agrees to take all steps necessary to comply with all federal, state, and City laws and policies regarding non-discrimination and equal employment opportunities. The CONTRACTOR shall not discriminate in any employment action because of race, religion, creed, color, national origin or ancestry, sex, gender identity, sexual orientation, age, marital status, familial status, veteran or military status, the

presence of any sensory, mental or physical disability or the use of a trained dog guide or service animal by a disabled person. In the event of non-compliance by the CONTRACTOR with any of the non-discrimination provisions of this Contract, the CITY shall be deemed to have cause to terminate this Contract, in whole or in part.

## **28. Conflict of Interest**

No officer, employee, or agent of the CITY, nor any member of the immediate family of any such officer, employee, or agent as defined by City ordinance, shall have any personal financial interest, direct or indirect, in this Contract, either in fact or in appearance. The CONTRACTOR shall comply with all federal, state, and City conflict of interest laws, statutes, and regulations. The CONTRACTOR represents that the CONTRACTOR presently has no interest and shall not acquire any interest, direct or indirect, in the program to which this Contract pertains which would conflict in any manner or degree with the performance of the CONTRACTOR'S services and obligations hereunder. The CONTRACTOR further covenants that, in performance of this Contract, no person having any such interest shall be employed. The CONTRACTOR also agrees that its violation of the CITY'S Code of Ethics contained in Chapter 1.46 of the Tacoma Municipal Code shall constitute a breach of this Contract subjecting the Contract to termination.

## **29. City ownership of Work/Rights in Data and Publications**

To the extent CONTRACTOR creates any Work subject to the protections of the Copyright Act (Title 17 U.S.C) in its performance of this Contract, CONTRACTOR agrees to the following: The Work has been specially ordered and commissioned by CITY. CONTRACTOR agrees that the Work is a "work made for hire" for copyright purposes, with all copyrights in the Work owned by CITY. To the extent that the Work does not qualify as a work made for hire under applicable law, and to the extent that the Work includes material subject to copyright, CONTRACTOR hereby assigns to CITY, its successors and assigns, all right, title and interest in and to the Work, including but not limited to, all patent, trade secret, and other proprietary rights and all rights, title and interest in and to any inventions and designs embodied in the Work or developed during the course of CONTRACTOR'S creation of the Work. CONTRACTOR shall execute and deliver such instruments and take such other action as may be required and requested by CITY to carry out the assignment made pursuant to this section. Any documents, magnetically or optically encoded media, or other materials created by CONTRACTOR pursuant to this Contract shall be owned by CITY and subject to the terms of this subsection. To the maximum extent permitted by law, CONTRACTOR waives all moral rights in the Work. The rights granted hereby to CITY shall survive the expiration or termination of this Contract. CONTRACTOR shall be solely responsible for obtaining releases for the performance, display, recreation, or use of copyrighted materials.

## **30. Public Disclosure**

This Contract and documents provided to the CITY by CONTRACTOR hereunder are deemed public records subject to disclosure under the Washington State Public Records Act, Chapter 42.56 RCW (Public Records Act). Thus, the CITY may be required, upon request, to disclose this Contract and documents related to it unless an exemption under the Public Records Act or other laws applies. In the event CITY receives a request for

such disclosure, determines in its legal judgment that no applicable exemption to disclosure applies, and CONTRACTOR has complied with the requirements herein to mark all content considered to be confidential or proprietary, CITY agrees to provide CONTRACTOR ten (10) days written notice of impending release. Should legal action thereafter be initiated by CONTRACTOR to enjoin or otherwise prevent such release, all expense of any such litigation shall be borne by CONTRACTOR, including any damages, attorneys fees or costs awarded by reason of having opposed disclosure. CITY shall not be liable for any release where notice was provided and CONTRACTOR took no action to oppose the release of information. Notice of any proposed release of information pursuant to Chapter 42.56 RCW, shall be provided to CONTRACTOR according to the "Notices" provision herein.

### **31. Confidential or Proprietary Records Must be Marked**

If CONTRACTOR provides the CITY with records that CONTRACTOR considers confidential or proprietary, CONTRACTOR must mark all applicable pages of said record(s) as "Confidential" or "Proprietary." If CONTRACTOR fails to so mark record(s), then (1) the CITY, upon request, may release said record(s) without the need to satisfy the notice requirements above; and (2) the CONTRACTOR expressly waives its right to allege any kind of civil action or claim against the CITY pertaining to the release of said record(s).

### **32. Duty of Confidentiality**

CONTRACTOR acknowledges that unauthorized disclosure of information or documentation concerning the Scope of Work hereunder may cause substantial economic loss or harm to the CITY.

Except for disclosure of information and documents to CONTRACTOR's employees, agents, or subcontractors who have a substantial need to know such information in connection with CONTRACTOR's performance of obligations under this Contract, the CONTRACTOR shall not without prior written authorization by the CITY allow the release, dissemination, distribution, sharing, or other publication or disclosure of information or documentation obtained, discovered, shared or produced pursuant to this Contract.

CONTRACTOR shall inform its employees, agents, and subcontractors of the confidentiality obligations under this Contract and instruct them so as to ensure such obligations are met. If so requested by the CITY, the CONTRACTOR further agrees to require all such individuals and entities performing services pursuant to this Contract to execute a Confidentiality and Non-Disclosure Agreement in a form acceptable to CITY.

This Section shall survive for six (6) years after the termination or expiration of this Contract.

CITY is required to provide notice of the Red Flags Rules published by the Federal Trade Commission in Title 16 Code of Federal Regulations, Part 681 ("Rules") to all entities that receive confidential or otherwise protected personal information of CITY's customers. Terms in quotations in this Section refer to defined terms contained in the "Rules." CONTRACTOR is, as to "Covered Accounts" of CITY for which CONTRACTOR

performs activities under the Contract, a "Service Provider." "Service Provider" will perform in accordance with its reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft and will promptly report to CITY any specific "Red Flag" incidents detected as to "Covered Accounts" of CITY and upon request by CITY will respond to or reasonably assist CITY in responding reported "Red Flags." This Section shall survive for six (6) years after the termination or expiration of this Contract.

### **33. Approval for Release of Information Related to Contract**

If requested by CITY, CONTRACTOR shall not release any information or documentation concerning the work under this Contract or any part thereof for marketing, advertising, or other commercial activities or publication including, but not limited to, news releases or professional articles without CITY's prior written approval. CONTRACTOR may submit at any time for review and approval a generic abstract describing the component parts of the completed Scope of Services ("Project Abstract"). After receiving written approval of the Project Abstract from the CITY, the CONTRACTOR may make minor insignificant changes to the Project Abstract and use all or parts of the Project Abstract in proposals.

This Section shall survive for six (6) years after the termination or expiration of this Contract.

### **34. Dispute Resolution**

In the event of a dispute pertaining to this Contract, the parties agree to attempt to negotiate in good faith an acceptable resolution. If a resolution cannot be negotiated, then the parties agree to submit the dispute to voluntary non-binding mediation before pursuing other remedies. This provision does not limit the CITY'S right to terminate authorized by this Contract.

### **35. Miscellaneous Provisions**

#### **Governing Law and Venue**

Washington law shall govern the interpretation of this Contract. Pierce County shall be the venue of any mediation, arbitration, or litigation arising out of this Contract.

#### **Assignment**

The CONTRACTOR shall not assign, subcontract, delegate, or transfer any obligation, interest or claim to or under this Contract or for any of the compensation due hereunder without the prior written consent of the CITY.

#### **No Third Party Beneficiaries**

This Contract shall be for the sole benefit of the parties hereto, and nothing contained herein shall create a contractual relationship with, or create a cause of action in favor of, a third party against either party hereto.

### **Waiver**

A waiver or failure by either party to enforce any provision of this Contract shall not be construed as a continuing waiver of such provisions, nor shall the same constitute a waiver of any other provision of this Contract.

### **Severability and Survival**

If any term, condition or provision of this Contract is declared void or unenforceable or limited in its application or effect, such event shall not affect any other provisions hereof and all other provisions shall remain fully enforceable. The provisions of this Contract, which by their sense and context are reasonably intended to survive the completion, expiration or cancellation of this Contract, shall survive termination of this Contract.

### **Entire Agreement**

This Contract and the attached Exhibits, as modified herein, contain the entire agreement between the parties as to the services to be rendered hereunder. All previous and contemporaneous agreements, representations or promises and conditions relating to the subject matter of this Contract are superseded hereby. The Parties hereto mutually acknowledge, understand and agree that the terms and conditions set forth herein shall control and prevail over any conflicting terms and conditions stated in any attachments hereto.

### **Modification**

No modification or amendment of this Agreement shall be effective unless set forth in a written and executed Amendment to this Contract.

### **Direct Solicitation and Negotiation**

For service contracts valued \$25,000 or less the City signature authorizes waiver of competitive solicitation by "Direct Solicitation and Negotiation" of professional and personal services in accordance with Tacoma Municipal Code 1.06.256 and the Purchasing Policy Manual.

IN WITNESS WHEREOF, the Parties hereto have accepted and executed this Contract, as of the Effective Date stated above, which shall be Effective Date for bonding purposes as applicable. The undersigned Contractor representative, by signature below, represents and warrants they are duly authorized to execute this legally binding Contract for and on behalf of Contractor.

CITY OF TACOMA:  
By: \_\_\_\_\_

CONTRACTOR:  
By: \_\_\_\_\_

**(City of Tacoma use only - blank lines are intentional)**

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Director of Finance: \_\_\_\_\_

City Attorney (approved as to form): \_\_\_\_\_

Approved By: \_\_\_\_\_

Approved By: \_\_\_\_\_

Approved By: \_\_\_\_\_

Approved By: \_\_\_\_\_

Approved By: \_\_\_\_\_

Approved By: \_\_\_\_\_

Approved By: \_\_\_\_\_

Approved By: \_\_\_\_\_



# CITY OF TACOMA INSURANCE REQUIREMENTS FOR CONTRACTS

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This Insurance Requirements shall serve as an attachment and/or exhibit form to the Contract. The Agency entering a Contract with City of Tacoma, whether designated as a Supplier, Contractor, Vendor, Proposer, Bidder, Respondent, Seller, Merchant, Service Provider, or otherwise referred to as "Contractor".

## 1. GENERAL REQUIREMENTS

The following General Requirements apply to Contractor and to Subcontractor(s) performing services and/or activities pursuant to the terms of this Contract. Contractor acknowledges and agrees to the following insurance requirements:

- 1.1. Contractor shall not begin work under the Contract until the required insurance has been obtained and approved by the City of Tacoma.
- 1.2. Contractor shall keep in force during the entire term of the Contract, at no expense to the City of Tacoma, the insurance coverage and limits of liability listed below and for Thirty (30) calendar days after completion of all work required by the Contract, unless otherwise provided herein.
- 1.3. Liability insurance policies, except for Professional Liability and Workers' Compensation, shall:
  - 1.3.1. Name the City of Tacoma and its officers, elected officials, employees, and agents as **additional insured**
  - 1.3.2. Be considered primary and non-contributory for all claims with any insurance or self-insurance or limits of liability maintained by the City of Tacoma
  - 1.3.3. Contain a "Waiver of Subrogation" clause in favor of City of Tacoma
  - 1.3.4. Include a "Separation of Insureds" clause that applies coverage separately to each insured and additional insured
  - 1.3.5. Name the "City of Tacoma" on certificates of insurance and endorsements and not a specific person or department
  - 1.3.6. Be for both ongoing and completed operations using Insurance Services Office (ISO) form CG 20 10 04 13 and CG 20 37 04 13 or the equivalent
  - 1.3.7. Be satisfied by a single primary limit or by a combination of a primary policy and a separate excess umbrella
- 1.4. A notation of coverage enhancements on the Certificate of Insurance shall not satisfy these requirements below. Verification of coverage shall include:
  - 1.4.1. An ACORD certificate or equivalent
  - 1.4.2. Copies of requested endorsements
- 1.5. Contractor shall provide to City of Tacoma Procurement & Payable Division, prior to the execution of the Contract, Certificate(s) of Insurance and endorsements from the insurer certifying the coverage of all insurance required herein. Contract or Permit number and the City of Tacoma Department must be shown on the Certificate of Insurance.
- 1.6. A renewal Certificate of Insurance shall be provided electronically prior to coverage



# CITY OF TACOMA INSURANCE REQUIREMENTS FOR CONTRACTS

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expiration via email sent annually to [coi@cityoftacoma.org](mailto:coi@cityoftacoma.org).

- 1.7. Contractor shall send a notice of cancellation or non-renewal of this required insurance within Thirty (30) calendar days to [coi@cityoftacoma.org](mailto:coi@cityoftacoma.org).
- 1.8. "Claims-Made" coverages, except for pollution coverage, shall be maintained for a minimum of three years following the expiration or earlier termination of the Contract. Pollution coverage shall be maintained for six years following the expiration of the Contract. The retroactive date shall be prior to or coincident with the effective date of the Contract.
- 1.9. Each insurance policy must be written by companies licensed or authorized (or issued as surplus line by Washington surplus line broker) in the State of Washington pursuant to RCW 48 with an (A-) VII or higher in the A.M. Best key rating guide.
- 1.10. Contractor shall not allow any insurance to be cancelled, voided, suspended, or reduced in coverage/limits, or lapse during any term of this Contract. Otherwise, it shall constitute a material breach of the Contract.
- 1.11. Contractor shall be responsible for the payment of all premiums, deductibles and self-insured retentions, and shall indemnify and hold the City of Tacoma harmless to the extent such a deductible or self-insured retained limit may apply to the City of Tacoma as an additional insured. Any deductible or self-insured retained limits in excess of Twenty Five Thousand Dollars (\$25,000) must be disclosed and approved by City of Tacoma Risk Manager and shown on the Certificate of Insurance.
- 1.12. City of Tacoma reserves the right to review insurance requirements during any term of the Contract and to require that Contractor make reasonable adjustments when the scope of services changes.
- 1.13. All costs for insurance are included in the initial Contract and no additional payment will be made by City of Tacoma to Contractor.
- 1.14. Insurance coverages specified in this Contract are not intended and will not be interpreted to limit the responsibility or liability of Contractor or Subcontractor(s).
- 1.15. Failure by City of Tacoma to identify a deficiency in the insurance documentation or to verify coverage or compliance by Contractor with these insurance requirements shall not be construed as a waiver of Contractor's obligation to maintain such insurance.
- 1.16. If Contractor is a government agency or self-insured for any of the above insurance requirements, Contractor shall be liable for any self-insured retention or deductible portion of any claim for which insurance is required. A certification of self-insurance shall be attached and incorporated by reference and shall constitute compliance with this Section.

## 2. SUBCONTRACTORS



# CITY OF TACOMA

## INSURANCE REQUIREMENTS FOR CONTRACTS

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It is Contractor's responsibility to ensure that each subcontractor obtain and maintain adequate liability insurance coverage that applies to the service provided. Contractor shall provide evidence of such insurance upon City of Tacoma's request. Failure of any subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

### 3. REQUIRED INSURANCE AND LIMITS

The insurance policies shall provide the minimum coverages and limits set forth below. Providing coverage in these stated minimum limits shall not be construed to relieve Contractor from liability in excess of such limits.

#### 3.1 Commercial General Liability Insurance

Contractor shall maintain Commercial General Liability Insurance policy with limits not less than One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) annual aggregate. This policy shall be written on ISO form CG 00 01 04 13 or its equivalent and shall include product liability especially when a Contract is solely for purchasing supplies. It includes Products and Completed Operations for three years following the completion of work related to performing construction services. It shall be endorsed to include: A per project aggregate policy limit (using ISO form CG 25 03 05 09 or equivalent endorsement)

#### 3.2 Commercial (Business) Automobile Liability Insurance

Contractor shall maintain Commercial Automobile Liability policy with limits not less than One Million Dollars (\$1,000,000) each accident for bodily injury and property damage and bodily injury and property damage coverage for owned (if any), non-owned, hired, or leased vehicles. Commercial Automobile Liability Insurance shall be written using ISO form CA 00 01 or equivalent. Contractor must also maintain MCS 90 and CA 99 48 endorsements or equivalent if "Pollutants" are to be transported unless in-transit Pollution coverage is covered under required Contractor's Pollution Liability Insurance.

#### 3.3 Workers' Compensation

Contractor shall comply with Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington, as well as any other similar coverage required for this work by applicable federal laws of other states. Contractor must comply with their domicile State Industrial Insurance laws if it is outside the State of Washington.

#### 3.4 Employers' Liability Insurance

Contractor shall maintain Employers' Liability coverage with limits not less than One Million Dollars (\$1,000,000) each employee, One Million Dollars (\$1,000,000) each accident, and One Million Dollars (\$1,000,000) policy limit.

#### 3.5 Professional Liability Insurance or Errors and Omissions

For contracts with professional licensing, design, or engineering services. Contractor and/or its subcontractor shall maintain Professional Liability or Errors and Omissions with limits of Five Million Dollars (\$5,000,000) per claim and in the aggregate covering acts, errors and omissions arising out of the professional services under this Contract. Contractor shall maintain this coverage for Six Million Dollars (\$6,000,000) if the policy limit includes the payment of claims or defense costs, from the policy limit.



# CITY OF TACOMA

## INSURANCE REQUIREMENTS FOR CONTRACTS

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### 3.6 Excess or Umbrella Liability Insurance

Contractor shall provide Excess or Umbrella Liability Insurance with limits not less than Three Million Dollars (\$3,000,000) per occurrence and in the aggregate. This coverage shall apply, at a minimum, in excess of primary underlying Commercial General Liability, Employer's Liability, Pollution Liability, Marine General Liability, Protection and Indemnity, and Automobile Liability if required herein.

### 3.7 Employee Theft Insurance

Contractor shall maintain Employee Theft or Employee Dishonesty Insurance policy with a limit not less than One Million Dollars (\$1,000,000) per occurrence. Such policy shall include the City of Tacoma as Loss Payee.

### 3.8 Cyber/Privacy and Security Insurance

Contractor shall maintain Cyber Privacy and Security Insurance with coverage of not less than Two Million Dollars (\$2,000,000) per claim and Two Million Dollars (\$2,000,000) general aggregate that includes, but is not limited to, coverage for first party costs and third-party claims. Coverage shall include loss resulting from data security/privacy breach, unauthorized access, denial of service attacks, introduction of virus and malicious code, network security failure, dissemination or destruction of electronic data, business interruptions, privacy law violation, and disclosure of non-public, personal and confidential information, and failure to disclose breaches as required by law or Contract. Coverage shall include notifications and other expenses incurred in remedying a privacy breach as well as costs to investigate and restore data. Coverage shall also include communications liability (e.g., infringement of copyrights, title, slogan, trademark, trade name, trade dress, service mark, or service name in the policy holders covered material).

### 3.9 Other Insurance

Other insurance may be deemed appropriate to cover risks and exposures related to the scope of work or changes to the scope of work required by City of Tacoma. The costs of such necessary and appropriate Insurance coverage shall be borne by Contractor.