



PUBLIC HEALTH[®]
FOUNDATION ENTERPRISES

A 501 (c)3 Nonprofit Corporation

February 16, 2010

The management of Public Health Foundation Enterprises, Inc, a 501(c)(3) corporation (PHFE), is requesting written proposals for the administration of our 403b Plan. Your proposal should include fee arrangements for the next three years, beginning with the fiscal year ending June 30, 2011.

To be considered, your firm must demonstrate the ability to, among other criteria, (1) meet our service needs and deadlines in a coordinated and efficient manner, (2) work as team members with our officers, managers and staff, (3) provide services at a very cost-effective rate and (4) have previous work experience with non-profit organizations. Your proposal must follow the order of this document and will be included as part of the review.

Five copies of your written proposal should be submitted to me in our City of Industry corporate office, 12801 Crossroads Parkway South, Suite 200, by no later than 5pm on March 31, 2010. I can be reached at (562) 222-7842.

Background information and proposal criteria are included. During this proposal process, please do not contact any member of our Board of Directors, other officers, or employees of PHFE. If you have any further questions concerning this proposal or the process, please contact me.

TIMETABLE

Below are the key dates in our selection process:

February 16, 2010	Request for proposals mailed
March 2, 2010	Question-and-answer session*
March 31, 2010	Written proposals are due
April 13-15, 2010	Oral presentations of selected firms
May 15, 2010	Plan Administrator selection and notification

*The question and answer session will be a closed session between those firms actively pursuing the RFP and PHFE Management on March 2, 2010 at 2pm. The dial in number for this call is (562) 222-7795.

Susan Vacko, Director of Operations



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12801 Crossroads Parkway South, Suite 200 ■ City of Industry, CA 91746 ■ 800.201.7320 Fax 562.699.8856 ■ www.phfe.org

Request for Proposal
To Serve as Plan Administrator
February 16, 2010

PHFE has approximately 1400 employees with revenues projected at over \$125 million for the current fiscal year. The company is headquartered in City of Industry, CA and was incorporated in the State of California in August, 1968.

PHFE is a private, non-profit fiscal agent/sponsor for public health programs and serves as back office management for over 170 programs that are primarily located within California. Enclosed is some company literature that describes the organization. The past 5 year's Audit, Financial Statements and Form 990 can be found on our website at www.phfe.org.

- Our current plan is as follows:
 - There are currently 1,220 eligible participants in the Plan
 - 81% of the employees participate with elective deferrals
 - There are currently 1,643 Plan participants with 519 loans
 - For salary deferrals, employees are eligible to join the plan on their date of hire and employer deferrals begin after 60 days of employment (some programs vary). Employees working less than 20% time and are paid hourly, are not eligible for employer contributions. Employees may elect to defer any percentage within IRS guidelines and may start/stop/change deferrals at any pay period. PHFE makes contributions to the plan generally in the range of 5% - 10% based on each negotiated contract and one employee may have more than one contribution percentage. There is no required match by the employee and employees are 100% vested in the contributions they choose to defer and in the employer contributions from the start. They cannot forfeit these contributions.
 - Participants may rollover into this Plan all or a portion of the retirement funds outside this Plan and may then withdraw all or a portion of that rollover contribution.
 - The retirement benefit Plan is 404c compliant and the participants are able to direct the investment of their retirement account balance by choosing among several fund options.
 - Contributions are automatically directed to the Plan's investment default if investment option(s) is/are not chosen. Participants may change their investment mix at any time. Changes can be made through TeleTouch or internet on the Principal website at no cost. A charge applies for paper requests. Account information may be obtained through TeleTouch or internet and a paper statement is mailed quarterly.

- Plan administrative expenses reduce the credited investment return.
- Benefits are payable at retirement (age 65), age 50 ½ and still working, death, disability or termination of employment.
- Participants may withdraw all or part of their salary deferral contributions if they can prove financial hardship and are unable to meet their financial needs another way within IRS guidelines. The Plan defines hardship as an “immediate and severe financial need” along with establishing allowable reasons to receive such a withdrawal. Salary deferral contributions will be suspended for six months after your withdrawal.
- Participants may borrow up to 50% of the vested account balance or \$50,000, whichever is less. The minimum loan amount is \$1,000. Two loans can be approved in a twelve month period and two loans can be outstanding at any time. The interest rate is determined at the time the loan is applied for and participants pay back both the principal and interest directly to their account through a cash payment. Loans must be r-paid within a five year period. However, if the loan is for the purchase of their primary residence, the repayment period can be longer than five years.
- Total assets under management are approximately \$40M with % investment options as follows:
 - Prin Fixed Income (CGF02) 29.86%
 - MFS Research Bond A Fund (MRBFX) 3.83%
 - Mason St High Yield Bond A Fund (MHYAX) 0.00%
 - Neuberman Soc Res Tr Fund (NBSTX) 1.26%
 - PGI Large Cap S&P 500 Idx R3 Fd (PLFMX) 3.80%
 - Alliance Bern/Westwood Lg Cap Val III R3 Fund (PPSFX) 3.65%
 - Russell Div Eqty Fund (RDEEX) 0.00%
 - Russell US Core Equity E Fund (REA0.00EX) 0.00%
 - Russell LfPt Growth D Fund (RALDX) 0.00%
 - Russell LfPt ConSt D Fund (RCLDX) 0.00%
 - Russell LfPt Equity Growth Fund (RELDX) 0.00%
 - Russell LfPt ModSt D Fund (RMLDX) 0.00%
 - Am Funds Growth Fund R3 Fund (RGACX) 4.59%
 - AIM Small Cap Growth A Fund (GTSAX) 1.22%
 - Fidelity Adv Mid Cap T Fund (FMCAX) 1.92%
 - JP M/Mellon/LA Cap SmCp Va I R3 Fd (PPKMX) 1.73%
 - Prin Inv SmCp Blend AdvPr Fund (PSBMX) 0.00%
 - PGI SmallCap S&P 600 Idx R3 Fd (PSSMX) 1.19%
 - Prin Inv Real Est Securities R3 Fd (PRERX) 1.02%
 - Am Funds New Prspctv R3 Fund (RNPCX) 4.70%
 - UBS/TS&W LargeCap Value I R3 Fd (PABDX) 1.41%
 - PGI Diversified International R3 (PINRX) 2.87%
 - Fidelity Adv Large Cap T (FALGX) 2.65%
 - GS/LA Cap Mgmt Mid Cap Value I R3 Fnd (PMPRX) 0.92%
 - PGI International Emerging Markets R3 Fund (PINRX) 1.50%
 - PMC/PGI Principal LifeTime Strat Inc R3 Fnd (PLSMX) 1.42%
 - PMC/PGI Principal LifeTime 2010 R3 Fnd (PTAMX) 2.74%

- PMC/PGI Principal LifeTime 2020 R3 Fnd (PTBMX) 5.91%
- PMC/PGI Principal LifeTime 2030 R3 Fnd (PTCMX) 8.41%
- PMC/PGI Principal LifeTime 2040 R3 Fnd (PTDMX) 7.16%
- PMC/PGI Principal LifeTime 2010 R3 Fnd (PTEMX) 2.85%
- PGI MidCap Blend R3 Fund (PMBMX) 1.07%
- American Century Eqty Inc A (TWEAX) 1.64%
- Eaton Vance WW Health Science A Fd (ETHSX) 0.17%
- Oppenheimer International Bond A Fd (OIBAX) 0.13%
- Franklin High Income A Fd (FHAIX) 0.24%
- JP Morgan Core Bond A Fd (PGBOX) 0.17%
- The current Plan provider is MorganStanley/Principal Financial Group.

COMPANY OVERVIEW

Your proposal should address the following items sequentially in a clear and concise manner. Your proposal should be as specific as possible to PHFE's potential plan. Avoid generalizing and highlight, when possible, unique features of your approach as compared to other firms.

- Provide an overview of your company including how long you have been in business
- How many 403b plans are administered by your company and what percentage is this of all your clients
- How many daily plans do you currently administer and what percentage is this of all your clients
- How many 403b plans did you add this year and last year
- How many clients left you this year and last year and why
- Are there any trust/custody or recordkeeping system conversions planned in the next 12 months
- State the reasons why your firm should be selected to be the Plan Administrator. Describe what you see as the most important issues to be addressed. Describe why your firm can offer PHFE the finest professional services for the fee proposed.
- Give an overview of the resources and organization of your firm. Provide a schedule of your firm's offices to be involved in servicing PHFE. Specify to what extent, if any, your services will require correspondents or others that are not an integral part of your organization.
- Is your administrative staff "certified" by any organization and if so, what credentials do they have. Be specific as it relates to our plan.
- Describe your services approach and how you will service the plan.
- Describe your firm's decision-making procedures for reviewing and reporting matters affecting PHFE.
- Describe how and what methods you will implore to ensure effective communication with management and plan participants.
- Describe how your firm will effect a smooth transition of Plan Administrator responsibilities for this engagement. Outline your approach to the transition process.
- Provide qualifications of the personnel designated for this engagement, including any primary and secondary partners and other key personnel (include applicable licenses to perform duties as described herein).
- Provide a fee proposal for the next three years, for the scope of services included in this request for proposal.
- Provide a draft engagement letter required by your firm for the services referred to in this request for proposal.
- Attach your most recent peer review/external quality control review report (if one exists) to your proposal.
- Describe any known relationships that exist between your partners and staff and our officers, key employees or directors to the Company.
- Provide client name, contact name, address, and phone information on at least three current client references of plan asset and participant size similar to our plan. At least one reference should have converted to your product within the last 12 months.

- Provide reference information on three former clients, at least one of whom has left within the last 12 months. Include reasons for why they ceased to be a client.

FIDUCIARY QUESTIONS

- Are there any current or pending litigation or administrative actions against your firm? If yes, please describe them.
- Do you receive any other compensation from any mutual funds, that are, or will be contained in our plan, and if so, is that compensation used to reduce our costs?
- Will your firm, its employees, and/or any affiliated or related entity be paid fees and/or commissions (including those from revenue-sharing and commission recapture) for its services to our plan from sources other than our plan?
- Does your firm, its employees, and/or any affiliated or related entity derive any economic benefit from any investment entities, intermediaries or service providers that are or will be involved in our plan?
- What is your privacy policy with regard to sharing client or account information with a third party?
- Does the firm have Errors and Omissions Insurance? Directors & Officers Liability Insurance? Fiduciary Liability Insurance? Who are the carriers and what are the limits?
- Detail your firm's policies, procedures, data encryption, and technical measures to prevent unauthorized access or alteration, fraud, theft, misuse, or physical damage to hardware, software, communications networks, and data.
- Describe your company's system back-up, security and disaster recovery procedures. Are files archived and stored at an off-site location? If so, what is the location? Have procedures been tested? When did you last perform a full-scale disaster recovery test?
- What quality control systems do you have in place? Describe fully.

INVESTMENT QUESTIONS

- What is the maximum number of investment funds options our plan can have? Are there any inherent limitations about this number or the kind of options we can have? How many funds did you assume in your fee quote? What is the cost per fund in excess of your quote?
- What information will we receive about investment options? Provide copies of all reports that are available.
- Is it possible to invest in mutual funds not managed by your company?
- Discuss your company's ability to provide quality investment vehicles and a well-diversified portfolio. List investment options available.
- Will your representatives be available to meet regularly with our investment committee to review the plan and investment options? If so, how often can these meetings be provided and what information will you be providing?

SERVICE QUESTIONS

- Describe how you will assist us to enroll new participants. For example, will you mail enrollment materials to participants' home addresses?
- What are your quality and/or service standard for the following:
 - Participant statements
 - Lump Sum Distributions
 - Hardship withdrawals
 - Loan Distributions
 - Payroll processing
 - Investment changes
- How do you monitor these service standards and what happens if the standard is not met?
- Can you support automatic enrollment of eligible employees?
- Describe your ability to customize participant statements. What makes your participant statements different or unique in the marketplace? Please provide samples.
- Can you calculate and report a personal rate of return for each participant and report this on each participant statement? Does the rate of return calculation incorporate the participant's cash flows?
- What is your quality standard for returning calls from our benefits staff? How do you monitor this standard?
- Please include a sample plan management report that includes such data as total plan assets by fund, cash flow summaries, participant usage statistics, etc. How often are such reports produced? Are they available on request? Are they available on your plan sponsor website?
- Who does plan amendments if we use an individually designed document? Is there a difference between required regulatory changes and elective changes? Do you restate the plan due to the change - or do we work with our own counsel on this? How are we advised of regulatory changes?
- What assistance do you offer in drafting, designing, printing and distributing Summary Plan Descriptions?
- Is there an additional fee for plan document maintenance and/or elective changes? If so, be sure to include this cost in the fee section.
- Describe all the testing and other administrative work you will provide. Are there standard testing or administrative work which you do not normally perform?
- As part of your recordkeeping services, do you prepare and file all required government filings needed to maintain the plan's qualified status (e.g., 5500, W-2, 1099)?
- Is there a minimum length of time we must stay with your company for plan administration?
- What is the name of the custodian for your product? Where are they located?
- Will it also act as trustee overall plan assets?
- Will your representatives be available on-site for initial enrollment meetings and ongoing meetings at all employer locations? If so, how often can these meetings be provided?
- Describe your approach to educating our employees. Address the use of standardized materials, alternative media and overall methods. Do you have an "advice" service? If you offer an advice service, will you act as a co-fiduciary?

- Please provide samples of all of your education material.

FEE SECTION

- What are the fees for setup?
- Fully itemize all fees including the following:
 - Conversion fee
 - Charges for plan administration
 - Moving assets from one fund to another
 - Cost to amend the plan
 - Cost to terminate the plan
 - Loan, hardship, rollover, distribution fees
 - Other transaction fees
 - Other fees
- For services not specified herein, provide a schedule outlining the hourly rate, by level of personnel, that you would bill for such services.