

State of Nevada
Department of Administration

Purchasing Division

515 E. Musser Street, Suite 300
Carson City, NV 89701



Brian Sandoval
Governor

Patrick Cates
Director

Jeffrey Haag
Administrator

Purchasing Use Only:	
Approval#:	180402

SOLICITATION WAIVER JUSTIFICATION AND REQUEST FORM

ALL FIELDS ARE REQUIRED – INCOMPLETE REQUESTS WILL BE RETURNED TO THE AGENCY

1a	Agency Contact Information - Note: Approved copy will be sent to only the contact(s) listed below:		
	State Agency: <u>Treasurer's Office</u>		
	<i>Contact Name and Title</i>	<i>Phone Number</i>	<i>Email Address</i>
	<u>Tara Hagan Chief Deputy Treasurer</u>	<u>775.684.5753</u>	<u>trhagan@nevadatreasurer.gov</u>

Vendor Information:	
Identify Vendor:	<u>Interactive Financial Services Group (DBA School Savings)</u>
Contact Name:	<u>Sherry Avena</u>
Address:	<u>PO Box 162 Ronald, Washington 98940</u>
Telephone Number:	<u>888.787.7728</u>
Email Address:	<u>sherry@schoolsavings.com</u>

1c	Type of Waiver Requested – Check the appropriate type:	
	Sole or Single Source:	<input checked="" type="checkbox"/>
	Professional Service Exemption:	<input type="checkbox"/>

Contract Information:			
1d	Is this a new Contract?	Yes	No
	Amendment:	#	
	CETS:	#	

1e	Term: One year and 2 months			
	One (1) Time Purchase:	<input type="checkbox"/>		
	Contract:	Start Date:	<u>April 15, 2018</u>	End Date:

Funding:	
State Appropriated:	<u>BA 1092, Category 21 Financial Literacy</u>
Federal Funds:	
Grant Funds:	
Other (Explain):	<u>College Savings Endowment Fund</u>

1g	Total Estimated Value of this Service Contract, Amendment or Purchase:
	<u>\$15,000</u>

Provide a description of work/services to be performed or commodity/good to be purchased:

2 *The State Treasurer's Office, College Savings Division would like to partner with School Savings (School Savings is a social enterprise that helps children learn to save by accepting deposits at school). School Savings partners with banks across the country and is the only school banking program approved by the US Department of Education. By partnering with School Savings, the Treasurer's staff would be able to select two elementary schools in the Las Vegas area (or one in Las Vegas and one in Washoe/Carson City area) to serve as pilot schools for the in-school deposit pilot program. Treasurer's office staff would provide the marketing and outreach and School Savings would provide infrastructure to facilitate bank deposits at schools and college savings deposits into the SSgA Upromise 529 Plan. Parent Volunteers or Volunteer Bank Tellers would provide the money handling on 'banking day' at the school. The Vendor would provide the US Department of Education approved national financial literacy model, including: the Websaver deposit system software (FDIC insured), and Student Incentive System.*

What are the unique features/qualifications required for this service or good that are not available from any other vendor:

3 *The unique features include: the deposit system for taking monies at schools and depositing these monies in an efficient and secure manner, the capability to partner with any commercial bank or credit union in the state, to pilot the only school banking program currently approved by the US Department of Education, and more importantly the vendor's willingness to program the Websaver deposit system to include the ability for students to deposit to the SSgA Upromise 529 plan rather than just a bank account.*

Explain why this service or good cannot be competitively bid and why this purchase is economically only available from a single source:

4 *Our research on the topic has allowed the State Treasurer's Office to conclude that School Savings is the only service of its kind which facilitates deposits at schools, works with nearly any bank in Nevada, has the online proprietary software to facilitate deposits electronically into nearly any banking institution, has online software to incentivize students to save while educating them on financial literacy, ensures compliance with banking security requirements of the United States Office of the Comptroller of the Currency, carries \$1,000,000 of professional liability insurance to protect account holders from unintended errors and omission, and ensures student saving deposit accounts are FDIC insured. Lastly, School Savings is offering to customize its software and banking system to allow for deposits into 529 college savings accounts, in addition to bank accounts.*

Were alternative services or commodities evaluated? Check One.		Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
a.	<i>If yes, what were they and why were they unacceptable? Please be specific with regard to features, characteristics, requirements, capabilities and compatibility.</i>				
5	<i>Yes, we reviewed the many documents available through the FDIC which launched a two-year pilot initiative for youth savings to help build the financial capability of young people by linking financial education with safe, hands-on savings opportunities. The FDIC final report is built around three models 1) school based branches (bank opens a permanent branch on school premises 2) In-school banking (bank sets up temporary bank in school on specific days at designated times 3) Encourage students to open accounts at local branches (bank collaborates with schools and nonprofit partners to provide financial education and encourage the opening of accounts). The Treasurer's Office does not have the resources or expertise to conduct any of the models identified by the FDIC. School Savings has the resources, infrastructure and website for parents to enter their child's account information once students open accounts, and provides a secure and efficient manner to transmit money to each and every student account. The Treasurer's Office staff would work with the two Pilot Schools and the Program Vendor (School Savings) to ensure families knew how to open a</i>				

college savings account and that they could have their child start saving for college for as little as \$1.00 per deposit. With this program change, kids can have savings accounts AND a college savings account with the SSgA Upromise Plan and deposit money into each account on deposit day for as little as \$1.00 in each account.

b. If not, why were alternatives not evaluated?

6	Has the agency purchased this service or commodity in the past? Check One. Note: If your previous purchase(s) was made via solicitation waiver(s), a copy or copies of <u>ALL</u> previous waivers <u>MUST</u> accompany this request.			Yes:	No:	X
	a. If yes, starting with the most recent contract and working backward, for the entire relationship with this vendor, or any other vendor for this service or commodity, please provide the following information:					
	Term Start and End Dates		Value	Short Description	Type of Procurement (RFP#, RFQ#, Waiver #)	
			\$			
			\$			
			\$			

7 What are the potential consequences to the State if the waiver request is denied and the service or good is competitively bid?

If the waiver request is denied, the implementation of the back-end processing to link School Savings to the SSgA Upromise 529 would not begin which would delay the start of the pilot program in the schools. In addition, this would delay the overall goal of using these two schools as pilot schools to build an ecosystem in Nevada schools to assist students and parents in learning the importance of savings, planning for college and financial literacy.

8 What efforts were made or conducted to substantiate there is no competition for the service or good and to ensure the price for this purchase is fair and reasonable?

Staff conducted significant research on youth based savings accounts and concluded the only current option is to pair with one financial institution in the state which severely limits the scope of the program, the plan under this structure would lack the 529 college savings option directly linked to the SSgA Upromise 529 plan or any 529 plan. The \$15,000 includes ~50 hours (at \$175 per hour) of programming hours to implement and test the bank-end processing to link School Savings to the SSgA Upromise 529, ~40 hours (at \$150 per hour) for the design changes needed to ensure that college savings, including branding for SSgA and note the importance of college savings in addition to personal savings. These prices are comparable to the \$5,000 fee charged to banks for participation and the \$450 per year, per school or the per student fee of \$4. Please note this cost is a one-time only fee of \$15,000 with no additional charges for the pilot program. If the pilot program is successful, the Treasurer's Office would conduct either a formal solicitation or an RFP depending on the dollar amount prior to expanding the program.

9	Will this purchase obligate the State to this vendor for future	Yes:	No:	X
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	purchases? <u>Before selecting your answer, please review information included on Page 2, Section 9 of the instructions.</u>				
	a. <i>If yes, please provide details regarding future obligations or needs.</i>				

By signing below, I know and understand the contents of this Solicitation Waiver Request and Justification and attest that all statements are true and correct.

Shelia Salehian

Agency Representative Initiating Request

Shelia Salehian

Print Name of Agency Representative Initiating Request

4/3/18

Date

Janak Hazi

Signature of Agency Head Authorizing Request

Tara R Hagan

Print Name of Agency Head Authorizing Request

4/3/18

Date

PLEASE NOTE: In an effort to avoid possible conflict with any equipment, system or process already installed or in place by the State of Nevada or to assist in our due diligence, State Purchasing may solicit a review of your request from another agency or entity. The signature below indicates another agency or entity has reviewed the information you provided. **This signature does not exempt your agency from any other processes that may be required.**

Name of agency or entity who provided information or review:

Representative Providing Review

Print Name of Representative Providing Review

Date

Please consider this memo as my approval of your request. This exemption is granted pursuant to NAC 333.150(2)(a)(b)(c), NRS 333.400. This exemption may be rescinded in the event reliable information becomes available upon which the Purchasing Administrator determines that the service or good sought may in fact be contracted for in a more effective manner. Pursuant to NRS 284.173(6), contracts for services do not become effective without the prior approval of the State Board of Examiners (BOE).

If you have any questions or concerns please contact the Purchasing Division at 775-684-0170.

Signed:

[Signature]

Administrator, Purchasing Division or Designee

4-6-2018

Date