

REQUEST FOR PROPOSALS FOR

**Third-Party Administrator to provide Recordkeeping Services for the Defined
Contribution Plan**

ISSUING OFFICE

Public School Employees' Retirement System

RFP NUMBER

2018-1

DATE OF ISSUANCE

March 15, 2018

REQUEST FOR PROPOSALS FOR
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Contribution Plan

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CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Deadline to submit Questions via email to Joseph Wasiak (jowasiak@pa.gov).	Potential Offerors	March 23, 2018
Answers to Potential Offeror questions posted to the DGS website at http://www.emarketplace.state.pa.us/Search.aspx no later than this date.	Issuing Office	March 30, 2018
Please monitor DGS website for all communications regarding the RFP.	Potential Offerors	On-going
Sealed proposals must be received by the Issuing Office at PSERS 5 N. 5 th Street Harrisburg, PA 17101 Attn: Cathy Gusler	Offerors	4:00 pm on April 16, 2018
Finalist presentations at PSERS Headquarters and possible Best and Final Offer submissions	Selected Offerors	May 7 – 10, 2018
Anticipated approval of contract and commencement of work	Selected Offeror	On or about August 16, 2018

PART I

GENERAL INFORMATION

- I-1. Purpose.** This request for proposals (RFP) provides to those interested in submitting proposals for the subject procurement (“Offerors”) sufficient information to enable them to prepare and submit proposals for the **Public School Employees’ Retirement System’s** (“Issuing Office” or “System”) consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need **for third party recordkeeping and administrative services** (“Project”). This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; mandatory requirements which Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.
- I-2. Issuing Office.** The System has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be Joseph Wasiak, Assistant Executive Director, **5 N. 5th Street Harrisburg, PA 17101, jowasiak@pa.gov**, the Issuing Officer for this RFP. Please refer all inquiries to the Issuing Officer.
- I-3. Overview of Project.** The Issuing Office is an independent administrative board of the Commonwealth of Pennsylvania created by statute to administer, and to serve as trustee of its related pension fund with exclusive control and management responsibility. The System, a governmental defined benefit pension plan. 24. Pa. C.S. § 8101 et seq. provides pension benefits for all eligible school employees of the public school system in the Commonwealth, serving nearly 256,000 active members and over 230,000 retirees and beneficiaries, with a fiduciary net position totaling \$56 billion (as of December 31, 2017). The System is funded through member contributions, which are mandatory as set by statute, and employer contributions, which are actuarially determined.

On June 12, 2017, Act 5 of 2017, (P.L. 11, No. 5) (“Act 5”) was signed into law, which requires the implementation of the School Employees’ Defined Contribution Plan (“plan”), a defined contribution plan administered and managed by the Issuing Office’s Board of Trustees (Board). As provided by statute, the Board has exclusive control and management responsibility of the plan. The plan is a standalone defined contribution plan intended to be a plan as described under IRC Section 401(a) that provides for mandatory pickup participant contributions and mandatory employer contributions at fixed rates of covered compensation and permits after-tax voluntary and rollover contributions. The amount of such mandatory contributions is related to whether the participant is also an active member of the System.

Act 5 created two new classes of the existing defined benefit plan with a defined contribution component, Class T-G and Class T-H, and a Defined Contribution only class, Class DC. The plan will be effective for all new hires, effective July 1, 2019. Each eligible school employee hired on or after July 1, 2019 will be defaulted into Class T-G that includes being a member of the System and a participant of the plan. The employee may, however, elect Class T-H, which also includes being a member of the System and a participant of the plan with different rates, or Class DC participation within 90 days of notification of eligibility. Existing eligible school employees active on July 1, 2019 will retain his or her status as a member of the System but will have 90 days to elect for future service status as a member of the System and/or a participant in the DC Plan under either Class T-G, T-H or DC.

As a result of this legislation, the Issuing Office has identified the need to engage with a Third Party Administrator (“TPA”) to serve as a recordkeeper to the plan as part of Act 5 implementation and to provide ongoing services to support the Objectives set forth in Part I, section I-4.B., and with additional functions as set forth in the **Scope of Services** outlined in **Appendix J**.

Act 5 also mandated the creation of the State Employees’ Defined Contribution Plan (“SERS plan”), a defined contribution plan to be administered and managed by the Board of Trustees of the State Employees’ Retirement Board (“SERS Board”) for certain members of the State Employees’ Retirement System (“SERS”) first hired on or after January 1, 2019. Similar to the System, Act 5 created two new hybrid classes of defined benefit/defined contribution options and a straight defined contribution option for SERS members but is effective on or after January 1, 2019. Accordingly, the SERS Board has also identified the need to engage with a TPA to serve as a recordkeeper to the SERS plan as well as to the Commonwealth of Pennsylvania Deferred Compensation Program and has issued a similar RFP.

An Offeror who submits a proposal for the RFP issued by the SERS Board for Plan Administration Services for Commonwealth of Pennsylvania Deferred Compensation Program and State Employees’ Defined Contribution Plan (“SERS RFP”) may also submit a proposal for this RFP. An Offeror who only submits a proposal for this RFP and not the SERS RFP will not have its proposal rejected or have its scoring negatively affected for that reason.

I-4. Objectives.

- A. General.** The Issuing Office is seeking a TPA to provide start-up and plan administrative services, and consulting on the coordination of the existing administrative systems and capabilities of the System and the plan, as well as ongoing recordkeeping and administration to all Classes of the plan.
- B. Specific.** Recordkeeping and administrative services related to the implementation of Act 5 of 2017, providing for the Issuing Office to sponsor a defined contribution plan with three classes. The TPA will be required to provide services including, but not limited to, Implementation Services, Administrative and Recordkeeping Services, Communication and Education, Regulatory Compliance, and Investment Services.

I-5. Type of Contract. It is proposed that if the Issuing Office enters into a contract as a result of this RFP, it will be a 6-year fixed contract with 4 optional 1-year extensions containing the **Scope of Services (Appendix J)** and the Standard Contract Terms and Conditions as shown in **Part VI**. The Issuing Office, in its sole discretion, may undertake negotiations with Offerors whose proposals, in the judgment of the Issuing Office, show them to be qualified, responsible and capable of performing the Project.

I-6. Rejection of Proposals. The Issuing Office reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.

I-7. Incurring Costs. The Issuing Office is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

I-8. Pre-proposal Conference. There will be no pre-proposal conference for this RFP. If there are any questions, please forward them to the Issuing Officer in accordance with Section I-9.

I-9. Questions & Answers. If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email (**with the subject line “RFP 2018-1 Question”**) to the Issuing Officer named in **Part I, Section I-2** of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events. The Offeror shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall post the answers to the questions on the DGS website by the date stated on the Calendar of Events. An Offeror who submits a question *after* the deadline date for receipt of questions indicated on the Calendar of Events assumes the risk that its proposal will not be responsive or competitive because the Commonwealth is not able to respond before the proposal receipt date or in sufficient time for the Offeror to prepare a responsive or competitive proposal. When submitted after the deadline date for receipt of questions indicated on the Calendar of Events, the Issuing Officer *may* respond to questions of an administrative nature by directing the questioning Offeror to specific provisions in the RFP. To the extent that the Issuing Office decides to respond to a non-administrative question *after* the deadline date for receipt of questions indicated on the Calendar of Events, the answer must be provided to all Offerors through an addendum.

All questions and responses as posted on the DGS website are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-10**. Each Offeror shall be responsible to monitor the DGS website for new or revised RFP information. The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is neither contained within the RFP nor formally issued as an addendum by the Issuing Office. The Issuing Office does not consider questions to be a protest of the specifications or of the solicitation. The required protest process for Commonwealth procurements is as described in Part I, Section I-27.

I-10. Addenda to the RFP. If the Issuing Office deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to the DGS website at <http://www.emarketplace.state.pa.us/Search.aspx>. It is the Offeror’s responsibility to periodically check the website for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.

I-11. Response Date. To be considered for selection, hard copies of proposals must arrive at the Issuing Office on or before the time and date specified in the RFP Calendar of Events. The Issuing Office will **not** accept proposals via email or facsimile transmission. Offerors who send proposals by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission will be automatically extended until the next Commonwealth business day on which the office is open, unless the Issuing Office otherwise notifies Offerors. The hour for submission of proposals shall remain the same. The Issuing Office may reject, unopened, any late proposals.

I-12. Proposal Requirements.

A. Proposal Submission: To be considered, Offerors should submit a complete response to this RFP to the Issuing Office, using the format provided in **Section I-12B**, providing **10 paper copies plus one marked “ORIGINAL” of the Technical Submittal and one (1) paper copy of the Cost Submittal and two (2) paper copies of the Small Diverse Business and Small Business (SDB/SB) Participation Submittal and related Letter(s) of Intent**. In addition to the paper copies of the proposal, Offerors shall submit one **complete and exact** copy of the entire proposal (Technical, Cost and SDB/SB submittals, along with all requested documents) on CD-ROM or Flash

drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. The Offerors may not lock or protect any cells or tabs. The CD or Flash drive should clearly identify the Offeror and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. If the official signs the **Proposal Cover Sheet (Appendix A** to this RFP) and the Proposal Cover Sheet is attached to the Offeror's proposal, the requirement will be met. For this RFP, the proposal must remain valid for **150** days or until a contract is fully executed. If the Issuing Office selects the Offeror's proposal for award, the contents of the selected Offeror's proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations.

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by written notice received at the Issuing Office's address for proposal delivery prior to the exact hour and date specified for proposal receipt. An Offeror or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification and signs a receipt for the proposal. An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new sealed proposal or sealed modification which complies with the RFP requirements.

B. Proposal Format: Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all proposal requirements. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All cost data relating to this proposal and all Small Diverse Business and Small Business cost data should be kept separate from and not included in the Technical Submittal. Offerors should not reiterate technical information in the cost submittal. Each Proposal shall consist of the following **three** separately sealed submittals:

1. Technical Submittal, in response to Part III:

a. Complete, sign and include Appendix B – Domestic Workforce Utilization Certification

b. Complete, sign and include Appendix C – Iran Free Procurement Certification;

2. Cost Submittal, in response to RFP Part IV; and

3. Small Diverse Business and Small Business (SDB/SB) Participation Submittal, in response to RFP Part V:

a. Complete and include Appendix F - SDB/SB Participation Submittal Form; and

b. Complete and include Appendix G - SDB/SB Letter of Intent. Offeror must provide a Letter of Intent for each SDB and SB listed on the SDB/SB Participation Submittal Form

The Issuing Office reserves the right to request additional information which, in the Issuing Office's opinion, is necessary to assure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Issuing Office may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror shall furnish to the Issuing Office all requested information and data. The Issuing Office reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Offeror fails to satisfy the Issuing Office that such Offeror is properly qualified to carry out the obligations of the RFP and to complete the Project as specified.

- I-13. Economy of Preparation.** Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of the RFP.
- I-14. Alternate Proposals.** The Issuing Office has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Issuing Office may consider alternate proposals.
- I-15. Discussions for Clarification.** Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Offeror responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to contract execution.
- I-16. Oral Presentations.** After the proposal submission deadline, Offerors may be selected to present at an interview to be held with the selection committee at the Issuing Office's headquarters.
- I-17. Prime Contractor Responsibilities.** The selected Offeror must perform at least 50% of the total contract value. Nevertheless, the contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. Further, the Issuing Office will consider the selected Offeror to be the sole point of contact with regard to all contractual matters.
- I-18. Proposal Contents.**
- A. Confidential Information.** The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Offerors' submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below and must additionally provide a redacted version of its proposal on CD, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes. The CD should clearly identify the Offeror, note that it is a redacted copy and include the name and version number of the virus scanning software used to scan the CD before it was submitted. *If a written statement and redacted version of the proposal is not submitted at the time of the proposal submission, the proposal will be subject to release as submitted with only the financial capability redacted.*
- B. Commonwealth Use.** All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at the Issuing Office's option. The

Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Offeror copyright designations contained on proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.

- C. Public Disclosure.** After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to **Appendix D** of the RFP for a **Trade Secret Confidential Proprietary Information Notice Form** that may be utilized as the signed written statement, if applicable. If financial capability information is submitted in response to Part III of this RFP such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

I-19. Best and Final Offers.

- A.** While not required, the Issuing Office reserves the right to conduct discussions with Offerors for the purpose of obtaining “best and final offers.” To obtain best and final offers from Offerors, the Issuing Office may do one or more of the following, in any combination and order:
1. Schedule oral presentations;
 2. Request revised technical and/or cost proposals, including a request for alternate pricing that would be offered in the event the Offeror is also a bidder for the SERS RFP;
 3. Enter into pre-selection negotiations.
- B.** The following Offerors will **not** be invited by the Issuing Office to submit a Best and Final Offer:
1. Those Offerors, which the Issuing Office has determined to be not responsible or whose proposals the Issuing Office has determined to be not responsive.
 2. Those Offerors, which the Issuing Office has determined in accordance with **Part II, Section II-5**, from the submitted and gathered financial and other information, do not possess the financial capability, experience or qualifications to assure good faith performance of the contract.
 3. Those Offerors whose score for their technical submittal of the proposal is less than 75% of the total amount of technical points allotted to the technical criterion.

The issuing office may further limit participation in the best and final offers process to those remaining responsible Offerors which the Issuing Office has, within its discretion, determined to be within the top competitive range of responsive proposals.

- C. The Evaluation Criteria found in **Part II, Section II-4**, shall also be used to evaluate the Best and Final offers.
- D. Any reduction to commitments to Small Diverse Businesses and Small Businesses must be proportional to the reduction in the total price offered through any BAFO process or contract negotiations unless approved by the Bureau of Diversity, Inclusion, & Small Business Opportunity (“BDISBO”).

- I-20. News Releases.** Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.
- I-21. Restriction of Contact.** From the issue date of this RFP until the Issuing Office selects a proposal for award, the Issuing Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Office to reject the offending Offeror’s proposal. If the Issuing Office later discovers that the Offeror has engaged in any violations of this condition, the Issuing Office may reject the offending Offeror’s proposal or rescind its contract award. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.
- I-22. Issuing Office Participation.** Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-22**.
- I-23. Term of Contract.** The term of the contract will commence on the Effective Date and will end 5 years after such date. The Issuing Office anticipates this date to be on or around August 16, 2018. The Issuing Office may elect to renew the contract after the initial six (6) year period via four (4) optional one (1) year extensions. The Issuing Office will fix the Effective Date after the contract has been fully executed by the selected Offeror and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror shall not start the performance of any work prior to the Effective Date of the contract and the Commonwealth shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the contract.
- I-24. Offeror’s Representations and Authorizations.** By submitting its proposal, each Offeror understands, represents, and acknowledges that:
 - A. All of the Offeror’s information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in awarding the contract(s). The Commonwealth shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.
 - B. The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential offeror.
 - C. The Offeror has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential offeror for this

RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.

- D.** The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- E.** The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- F.** To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last **four** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.
- G.** To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.
- H.** The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- I.** The Offeror has not made, under separate contract with the Issuing Office, any recommendations to the Issuing Office concerning the need for the services described in its proposal or the specifications for the services described in the proposal.
- J.** Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- K.** Until the selected Offeror receives a fully executed and approved written contract from the Issuing Office, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform.
- L.** The Offeror is not currently engaged, and will not during the duration of the contract engage, in a boycott of a person or an entity based in or doing business with a jurisdiction which the Commonwealth is not prohibited by Congressional statute from engaging in trade or commerce.

I-25. Notification of Selection.

- A. Contract Negotiations.** The Issuing Office will notify all Offerors in writing of the Offeror selected for contract negotiations after the Issuing Office has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Issuing Office.

B. Award. Offerors whose proposals are not selected will be notified when contract negotiations have been successfully completed and the Issuing Office has received the final negotiated contract signed by the selected Offeror.

I-26. Debriefing Conferences. Upon notification of award, Offerors whose proposals were not selected will be given the opportunity to be debriefed. The Issuing Office will schedule the debriefing at a mutually agreeable time. The debriefing will not compare the Offeror with other Offerors, other than the position of the Offeror's proposal in relation to all other Offeror proposals. An Offeror's exercise of the opportunity to be debriefed does not constitute nor toll the time for filing a protest (See **Section I-27** of this RFP).

I-27. RFP Protest Procedure. The RFP Protest Procedure is on the DGS website at <http://www.dgs.pa.gov/Documents/Procurement%20Forms/Handbook/Pt1/Pt%20I%20Ch%2058%20Bid%20Protests.pdf>. A protest by a party that has not or has not yet submitted a proposal must be filed no later than the proposal submission deadline specified in the Calendar of Events of the RFP. Offerors may file a protest within **seven** days after the protesting Offeror knew or should have known of the facts giving rise to the protest, but in no event may an Offeror file a protest later than **seven** days after the date the notice of award of the contract is posted on the DGS website. The date of filing is the date of receipt of the protest. A protest must be filed in writing with the Issuing Office. To be timely, the protest must be received by 4:00 p.m. on the seventh day.

I-28. Use of Electronic Versions of this RFP. This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to insure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Issuing Office's version of the RFP, the Issuing Office's version shall govern.

PART II

CRITERIA FOR SELECTION

II-1. Mandatory Responsiveness Requirements. The Offeror must meet all the mandatory requirements to be given further consideration. Confirm affirmatively within your proposal response that you meet the requirements listed below and provide a brief explanation of how specifically your firm meets each requirement. Failure to satisfy each of the minimum qualifications below will result in the immediate rejection of the proposal.

To be eligible for selection, a proposal must:

- A.** Be timely received from an Offeror (see **Part I, Section I-11**); and
- B.** Be properly signed by the Offeror (see **Part I, Section I-12A**).
- C.** As of December 31, 2017, the Offeror must have provided recordkeeping and administrative services for defined contribution plans for a minimum of ten years. (Defined contribution plans are those plans described under Section 457, 401(k), 403(b), or 401(a) of the Internal Revenue Code.) Specifically indicate:
 - How many years has the firm provided administration for defined contribution plans?
 - How many years has the firm provided administration for governmental defined contribution plans?
- D.** As of December 31, 2017, the Offeror must have a minimum of \$10 billion in total defined contribution plan assets under administration. Specifically indicate:
 - The total amount of plan assets for which the firm provides plan recordkeeping and administration services.
- E.** As of December 31, 2017, the Offeror must have a minimum of 500,000 defined contribution plan participant account records on its recordkeeping system. Specifically indicate:
 - The total number of participant accounts for which the firm provides plan recordkeeping and administration services.
- F.** As of December 31, 2017, the Offeror must have under administration at least ten defined contribution plans with more than 5,000 participants per plan.
- G.** The Offeror must have administered at least 10 plans with assets in excess of \$200 million per plan.
- H.** The Offeror must be a direct provider of the requested services (not a third-party broker).
- I.** Issuing Office expects that the selected Offeror will accept the contract terms as provided in the RFP. Any questions or exceptions to the terms and conditions must be outlined as part of the Offeror's response.

- J. The Offeror must comply with the **Information Security Addendum** as provided in **Appendix O**. This Addendum will form part of the contract with the selected Offeror.
- K. The Offeror must agree to maintain all records for the life of the contract and thereafter as mutually agreed upon and provide a copy of any records in a format acceptable to the Issuing Office: (a) upon request of the Issuing Office; and (b) at contract termination.
- L. The Offeror must provide reports regarding participant account activity, financial transactions (as described in **Appendix M**) and reconciliations between the TPA's preferred financial institution and the TPA. Ad hoc reporting may be requested periodically.
- M. The Offeror must agree that any branding, educational materials and/or other content that is developed by the selected Offeror during the contract period in the performance of its obligations under the contract shall be the sole property of the Issuing Office and may not be used by the selected Offeror for any purpose beyond the scope of this engagement. The Offeror must agree to take such action as the Issuing Office may request to perfect such ownership of the Issuing Office.
- N. The Offeror must provide a single point of contact to serve as a Relationship Manager. As part of its service team the Offeror must also provide a representative to work with the Issuing Office on all day-to-day administrative and operational issues as agreed to be provided in the contract with the Issuing Office.
- O. The Offeror must provide a completely open-architecture investment platform.
- P. The Offeror must be able to begin implementation of the plan upon execution of the contract and complete implementation of the plan to permit enrollment and live plan operations no later than July 1, 2019.

II-2. Technical Nonconforming Proposals. All of the Mandatory Responsiveness Requirements set forth in **Section II-1** above (A-P) are the only RFP requirements that the Commonwealth will consider to be *non-waivable*. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in an Offeror's proposal, (2) allow the Offeror to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Offeror's proposal.

II-3. Evaluation. The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, BDISBO will evaluate the Small Diverse Business and Small Business Participation Submittal and provide the Issuing Office with a rating for this component of each proposal. The Issuing Office will notify in writing of its selection for negotiation the responsible Offeror whose proposal is determined to be the most advantageous to the Commonwealth as determined by the Issuing Office after taking into consideration all of the evaluation factors.

II-4. Evaluation Criteria. The following criteria will be used in evaluating each proposal:

- A. **Technical:** The Issuing Office has established the weight for the Technical criteria for this RFP as **60%** of the total points. Evaluation will be based upon the following in order of importance:

Criteria	Point Value
TPA Firm Overview and Governmental Plan Experience: <ul style="list-style-type: none"> • Company Information • Contracts, Pending Litigation and Recent Corporate Actions • Data Security • Defined Contribution (DC) Plan Experience 	100
Implementation Strategy, Servicing Team and TPA Operations and System Capabilities: <ul style="list-style-type: none"> • Implementation Strategy (Employer and Participant) • Client Servicing Team • TPA Staff Training and Continuing Education • Operations and System Capabilities 	100
Issuing Office Expectations: <ul style="list-style-type: none"> • Standard Reporting • Administrative and Compliance Support • Online Systems • Customer Service and Issue Resolution • Thought Leadership and Innovation 	100
Participant Expectations: <ul style="list-style-type: none"> • Microsite and Website • Participant Statements • Customer Call Center and Voice Response Unit 	100
Participant and Employer Education: Custom Communication and Education Capabilities and Onsite Representatives <ul style="list-style-type: none"> • Participant Communication and Education • Employer Education 	100
Investment Services: <ul style="list-style-type: none"> • Investment Flexibility • Annuity Payout Option • Alternative Investment Products/Structures • Third-Party Financial Institution Services 	100
TOTAL POINTS	600

The final Technical scores are determined by giving the maximum number of technical points available to the proposal with the highest raw technical score. The remaining proposals are rated by applying the Technical Scoring Formula set forth at the following webpage:

<http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

B. Cost: The Issuing Office has established the weight for the Cost criteria for this RFP as **20%** of the total points. The cost criteria is rated by giving the proposal with the lowest total cost the maximum number of Cost points available (200). The remaining proposals are rated by applying the Cost Formula set forth at the following webpage:

<http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

Offerors should complete the **Cost Submittal Worksheets** as provided in **Appendix E**.

C. Small Diverse Business and Small Business Participation: BDISBO has established the minimum evaluation weight for the Small Diverse Business and Small Business Participation criteria for this RFP as 20% of the total points.

1. The Small Diverse Business and Small Business point allocation is based entirely on the percentage of the contract cost committed to Small Diverse Businesses and Small Businesses.
2. A total combined SDB/SB commitment less than one percent (1%) of the total contract cost is considered de minimis and will receive no Small Diverse Business or Small Business points.
3. Two thirds (2/3) of the total points are allocated to Small Diverse Business participation (SDB %).
4. One third (1/3) of the total points is allocated to Small Business participation (SB %).
5. Based on a maximum total of 200 available points for the Small Diverse Business and Small Business Participation Submittal, the scoring mechanism is as follows:

Small Diverse Business and Small Business Raw Score =

$$200 (\text{SDB}\% + (1/3 * \text{SB } \%))$$

6. Each Offeror's raw score will be pro-rated against the Highest Offeror's raw score by applying the formula set forth on the following webpage:
http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/RFP_SCORING_FORMULA.aspx.
7. The Offeror's prior performance in meeting its contractual obligations to Small Diverse Businesses and Small Businesses will be considered by BDISBO during the scoring process. To the extent the Offeror has failed to meet prior contractual commitments, BDISBO may recommend to the Issuing Office that the Offeror be determined non-responsible for the limited purpose of eligibility to receive Small Diverse Business and Small Business points.

D. Domestic Workforce Utilization: Any points received for the Domestic Workforce Utilization criterion are bonus points in addition to the total points for this RFP. The maximum amount of bonus points available for this criterion is 3% of the total points for this RFP.

To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those Offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. See the following webpage for the Domestic Workforce Utilization Formula:

<http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

- E. Iran Free Procurement Certification and Disclosure.** Prior to entering a contract worth at least \$1,000,000 or more with a Commonwealth entity, an offeror must: a) certify it is not on the current list of persons engaged in investment activities in Iran created by the Pennsylvania Department of General Services (“DGS”) pursuant to Section 3503 of the Procurement Code and is eligible to contract with the Commonwealth under Sections 3501-3506 of the Procurement Code; or b) demonstrate it has received an exception from the certification requirement for that solicitation or contract pursuant to Section 3503(e). All offerors must complete and return the Iran Free Procurement Certification form, (**Appendix C, Iran Free Procurement Certification Form**), which is attached hereto and made part of this RFP. The completed and signed Iran Free Procurement Certification form must be submitted as part of the Technical Submittal.

See the following web page for current Iran Free Procurement list:

<http://www.dgs.pa.gov/businesses/materials%20and%20services%20procurement/procurement-resources/pages/default.aspx#.WDNfJJgo6Ht>

- II-5. Offeror Responsibility.** To be responsible, an Offeror must submit a responsive proposal and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance of the contract.

In order for an Offeror to be considered responsible for this RFP and therefore eligible for selection for best and final offers or selection for contract negotiations:

- A.** The total score for the technical submittal of the Offeror’s proposal must be greater than or equal to **75%** of the **available technical points**; and
- B.** The Offeror’s financial information must demonstrate that the Offeror possesses the financial capability to assure good faith performance of the contract. The Issuing Office will review the Offeror’s previous three financial statements, any additional information received from the Offeror, and any other publicly-available financial information concerning the Offeror, and assess each Offeror’s financial capacity based on calculating and analyzing various financial ratios, and comparison with industry standards and trends.

An Offeror which fails to demonstrate sufficient financial capability to assure good faith performance of the contract as specified herein may be considered by the Issuing Office, in its sole discretion, for Best and Final Offers or contract negotiation contingent upon such Offeror providing contract performance security for the first contract year cost proposed by the Offeror in a form acceptable to the Issuing Office. Based on the financial condition of the Offeror, the Issuing Office may require a certified or bank (cashier's) check, letter of credit, or a performance bond conditioned upon the faithful performance of the contract by the Offeror. The required performance security must be issued or executed by a bank or surety company authorized to do business in the Commonwealth. The cost of the required performance security will be the sole responsibility of the Offeror and cannot increase the Offeror's cost proposal or the contract cost to the Commonwealth.

Further, the Issuing Office will award a contract only to an Offeror determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, Contractor Responsibility Program.

II-6. Final Ranking and Award.

- A.** After any best and final offer process conducted, the Issuing Office will combine the evaluation committee's final technical scores, BDISBO's final Small Diverse Business and Small Business Participation Submittal scores, the final cost scores, and (when applicable) the domestic workforce utilization scores, in accordance with the relative weights assigned to these areas as set forth in this Part.
- B.** The Issuing Office will rank responsible Offerors according to the total overall score assigned to each, in descending order.
- C.** The Issuing Office must select for contract negotiations the Offeror with the highest overall score.
- D.** The Issuing Office has the discretion to reject all proposals or cancel the request for proposals, at any time prior to the time a contract is fully executed, when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the contract file.

PART III

TECHNICAL SUBMITTAL

- III-1. Requirements.** As described previously, the Issuing Office has identified the need to engage with a TPA to serve as a recordkeeper to the DC Plan as part of Act 5 implementation and to provide ongoing services to support the Plan as described in the **Scope of Services - Appendix J**. Please review this Appendix and provide responses to the **Questionnaire** provided in **Appendix K**.
- III-2. Objections and Additions to Standard Contract Terms and Conditions.** The Offeror will identify which, if any, of the terms and conditions (contained in **Part VI**) it would like to negotiate and what additional terms and conditions the Offeror would like to add to the standard contract terms and conditions. The Offeror's failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Issuing Office may consider late objections and requests for additions if to do so, in the Issuing Office's sole discretion, would be in the best interest of the Commonwealth. The Issuing Office may, in its sole discretion, accept or reject any requested changes to the standard contract terms and conditions. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for **Part VI**. All terms and conditions must appear in one integrated contract. The Issuing Office will not accept references to the Offeror's, or any other, online guides or online terms and conditions contained in any proposal. The PSERS' Board will not consider proposals that contain any limitations of Offeror liability for services provided. Any proposal containing such a limitation shall be rejected.

Regardless of any objections set out in its proposal, the Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in **Part VI**. The Issuing Office may reject any proposal that is conditioned on the negotiation of the terms and conditions set out in **Part VI or to other provisions of the RFP as specifically identified above.**

PART IV

COST SUBMITTAL

IV-1. Cost Submittal. The information requested in this **Part IV** shall constitute the Cost Submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separated from the technical submittal. The total proposed cost should be broken down into the components set forth in **Appendix E – Cost Submittal Worksheet**. The percentage of commitment to Small Diverse Businesses and Small Businesses should not be stated in the Cost Submittal. Offerors should **not** include any assumptions other than the ones set forth in **Appendix L -DC Plan Projections** in their cost submittals. If the Offeror includes assumptions other than those set forth in **Appendix L -DC Plan Projections** in its cost submittal, the Issuing Office may reject the proposal. Offerors should direct in writing to the Issuing Office pursuant to **Part I, Section I-9** of this RFP any questions about whether a cost or other component is included or applies. All Offerors will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

The Issuing Office will reimburse the selected Offeror for work satisfactorily performed after execution of a written contract and the start of the contract term, in accordance with contract requirements, and only after the Issuing Office has issued a notice to proceed.

PART V

SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION SUBMITTAL

V-1. Small Diverse Business and Small Business General Information. The Issuing Office encourages participation by Small Diverse Businesses and Small Businesses as prime contractors, and encourages all prime contractors to make significant commitments to use Small Diverse Businesses and Small Businesses as subcontractors and suppliers.

A Small Business must meet each of the following requirements:

- The business must be a for-profit, United States business;
- The business must be independently owned;
- The business may not be dominant in its field of operation;
- The business may not employ more than 100 full-time or full-time equivalent employees;
- The business, by type, may not exceed the following three-year average gross sales:
 - Procurement Goods and Services: \$20 million
 - Construction: \$20 million
 - Building Design Services: \$7 million
 - Information Technology Goods and Services: \$25 million

For credit in the RFP scoring process, a Small Business must complete the DGS/BDISBO self-certification process. Additional information on this process can be found at:

<http://www.dgs.pa.gov/Businesses/Small%20Business%20Contracting%20Program/Pages/default.aspx>.

A Small Diverse Business is a DGS-verified minority-owned small business, woman-owned small business, veteran-owned small business, service-disabled veteran-owned small business, LGBT-owned small business, Disability-owned small business, or other small businesses as approved by DGS, that are owned and controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages.

For credit in the RFP scoring process, a Small Diverse Business must complete the DGS verification process. Additional information on this process can be found at:

<http://www.dgs.pa.gov/Businesses/Minority,%20Women%20and%20Veteran%20Businesses/Pages/default.aspx>.

An Offeror that qualifies as a Small Diverse Business or a Small Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.

A Small Diverse Business or Small Business may be included as a subcontractor with as many prime contractors as it chooses in separate proposals.

The Department's directory of self-certified Small Businesses and DGS/BDISBO-verified Small Diverse Businesses can be accessed from:

<http://www.dgs.pa.gov/Businesses/Minority,%20Women%20and%20Veteran%20Businesses/Small-Diverse-Business-Verification/Pages/Finding-Small-Diverse-Businesses.aspx>.

Questions regarding the Small Diverse Business and Small Business Programs, including questions about the self-certification and verification processes can be directed to:

Department of General Services
Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO)
Room 601, North Office Building
Harrisburg, PA 17125
Phone: (717) 783-3119
Fax: (717) 787-7052
Email: RA-BDISBOVerification@pa.gov
Website: www.dgs.pa.gov

- V-2. Small Diverse Business and Small Business (SDB/SB) Participation Submittal.** All Offerors are required to submit **two (2)** copies of the Small Diverse Business and Small Business Participation Submittal Form contained in (**Appendix F**) and related Letter(s) of Intent (**Appendix G**). The submittal must be sealed in its own envelope, separate from the remainder of the proposal, and must be provided on the Small Diverse Business and Small Business Participation Submittal form, with information as follows:
- A.** Offerors must indicate their status as a Small Diverse Business and as a Small Business through selection of the appropriate checkboxes.
 - B.** Offerors must include a numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Offeror commits to paying to Small Diverse Businesses and Small Businesses as subcontractors.
 - C.** Offerors must include a listing of and required information for each of the Small Diverse Businesses and/or Small Businesses with whom they will subcontract to achieve the participation percentages outlined on the Small Diverse Business and Small Business Participation Submittal.
 - D.** Offerors must include a Letter of Intent (attached as **Appendix G**) is a Letter of Intent template which may be used to satisfy these requirements) signed by both the Offeror and the Small Diverse Business or Small Business for each of the Small Diverse Businesses and Small Businesses identified in the Small Diverse Business and Small Business Participation Submittal form. At minimum, the Letter of Intent must include the following:
 - 1.** The fixed numerical percentage commitment and associated estimated dollar value of the commitment made to the Small Diverse Business or Small Business; and
 - 2.** A description of the services or supplies the Small Diverse Business or Small Business will provide; and
 - 3.** The timeframe during the initial contract term and any extensions, options and renewals when the Small Diverse Business or Small Business will perform or provide the services and/or supplies; and

4. The name and telephone number of the Offeror's point of contact for Small Diverse Business and Small Business participation; and
 5. The name, address, and telephone number of the primary contact person for the Small Diverse Business or Small Business.
- E. Each Small Diverse Business and Small Business commitment which is credited by BDISBO along with the overall percentage of Small Diverse Business and Small Business commitments will become contractual obligations of the selected Offeror.

NOTE: Offerors will not receive credit for any commitments for which information as above is not included in the Small Diverse Business and Small Business Participation Submittal. Offerors will not receive credit for stating that after the contract is awarded they will find a Small Diverse or Small Business.

NOTE: Equal employment opportunity and contract compliance statements referring to company equal employment opportunity policies or past contract compliance practices do not constitute proof of Small Diverse Business and/or Small Business Status or entitle an Offeror to receive credit for Small Diverse Business or Small Business participation.

V-3. Contract Requirements – Small Diverse Business and Small Business Participation.

All contracts containing Small Diverse Business and Small Business Participation must contain the following contract provisions to be maintained through the initial contract term and any subsequent options or renewals:

- A. Each Small Diverse Business and Small Business commitment which was credited by BDISBO and the total percentage of such Small Diverse Business and Small Business commitments made at the time of proposal submittal, BAFO or contract negotiations, as applicable, become contractual obligations of the selected Offeror upon execution of its contract with the Commonwealth.
- B. All Small Diverse Business and Small Business subcontractors credited by BDISBO must perform at least 50% of the work subcontracted to them.
- C. The individual percentage commitments made to Small Diverse Businesses and Small Businesses cannot be altered without written approval from BDISBO.
- D. Small Diverse Business and Small Business commitments must be maintained in the event the contract is assigned to another prime contractor.
- E. The selected Offeror and each Small Diverse Business and Small Business for which a commitment was credited by BDISBO must submit a final, definitive subcontract agreement signed by the selected Offeror and the Small Diverse Business and/or Small Business to BDISBO within 30 days of the final execution date of the Commonwealth contract. A Model Subcontract Agreement which may be used to satisfy this requirement is provided in **Appendix H – Model Form of Small Diverse and Small Business Subcontract Agreement**. The subcontract must contain:

1. The specific work, supplies or services the Small Diverse Business and/or Small Business will perform; location for work performed; how the work, supplies or services relate to the project; and the specific timeframe during the initial term and any extensions, options and renewals of the prime contract when the work, supplies or services will be provided or performed.
 2. The fixed percentage commitment and associated estimated dollar value that each Small Diverse Business and/or Small Business will receive based on the final negotiated cost for the initial term of the prime contract.
 3. Payment terms indicating that the Small Diverse Business and/or Small Business will be paid for work satisfactorily completed within 14 days of the selected Offeror's receipt of payment from the Commonwealth for such work.
 4. Commercially reasonable terms for the applicable business/industry that are no less favorable than the terms of the selected Offeror's contract with the Commonwealth and that do not place disproportionate risk on the Small Diverse Business and/or Small Business relative to the nature and level of the Small Diverse Business' and/or Small Business' participation in the project.
- F.** If the selected Offeror and a Small Diverse Business or Small Business credited by BDISBO cannot agree upon a definitive subcontract within 30 days of the final execution date of the Commonwealth contract, the selected Offeror must notify BDISBO.
- G.** The Selected Offeror shall complete the Prime Contractor's Quarterly Utilization Report and submit it to the contracting officer of the Issuing Office and BDISBO within ten (10) business days at the end of each quarter of the contract term and any subsequent options or renewals. This information will be used to track and confirm the actual dollar amount paid to Small Diverse Business and Small Business subcontractors and suppliers and will serve as a record of fulfillment of the contractual commitment. If there was no activity during the quarter, the form must be completed by stating "No activity in this quarter." A late fee of \$100.00 per day may be assessed against the Selected Offeror if the Utilization Report is not submitted in accordance with the schedule above.
- H.** The Selected Offeror shall notify the Contracting Officer of the Issuing Office and BDISBO when circumstances arise that may negatively impact the selected Offeror's ability to comply with Small Diverse Business and/or Small Business commitments and to provide a corrective action plan. Disputes will be decided by the Issuing Office and DGS.
- I.** If the Selected Offeror fails to satisfy its Small Diverse Business and/or Small Business commitment(s), it may be subject to a range of sanctions BDISBO deems appropriate. Such sanctions include, but are not limited to, one or more of the following: a determination that the selected Offeror is not responsible under the Contractor Responsibility Program; withholding of payments; suspension or termination of the contract together with consequential damages; revocation of the selected Offeror's Small Diverse Business status and/or Small Business status; and/or suspension or debarment from future contracting opportunities with the Commonwealth.

**PART VI
CONTRACT TERMS AND CONDITIONS**

**COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

AGREEMENT FOR ADMINISTRATIVE SERVICES

This Agreement is made as of this ____ day of _____, 20__ (hereinafter the "Effective Date") between the COMMONWEALTH OF PENNSYLVANIA, PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM, an independent administrative agency of the Commonwealth of Pennsylvania (hereinafter referred to as "PSERS"), and _____, a _____, with its principal office at _____ (hereinafter referred to as the "ADMINISTRATOR").

W I T N E S S E T H:

WHEREAS, PSERS has authority, pursuant to Section 8502(b) of Title 24 of the Pennsylvania Consolidated Statutes, to contract for professional services as it deems advisable in order to fulfill its duties; and

WHEREAS, the ADMINISTRATOR has solicited an engagement to provide pension administrative services for and on behalf of PSERS, as more fully described in the Request For Proposal, RFP _____; and

WHEREAS, the Public School Employees' Retirement Board has duly approved the retention of the ADMINISTRATOR under the terms and conditions of this Agreement; and

WHEREAS, the ADMINISTRATOR hereby reaffirms the reliability and accuracy of the written and oral representations made to PSERS in solicitation of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and the mutual promises and undertakings hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties covenant and agree as follows.

1. Engagement. PSERS hereby engages the ADMINISTRATOR, and the ADMINISTRATOR hereby accepts PSERS' engagement, to serve as a pension administrator for the School Employees' Defined Contribution Plan and general pension administration consistent with the terms of this Agreement.

2. ADMINISTRATOR's Services. The ADMINISTRATOR shall provide pension administration services for the School Employees' Defined Contribution Plan and general pension administration. In addition to those set forth in Part III of RFP _____, the powers, obligations, and duties of the ADMINISTRATOR shall include, without limitation, those identified below in this Section 2.

(a) The ADMINISTRATOR shall attend PSERS' meetings as PSERS shall request to apprise PSERS of its activities. The ADMINISTRATOR shall also attend special meetings when requested by PSERS.

(b) The ADMINISTRATOR shall provide services as set forth in Work Statements, if any, issued by PSERS.

3. Unauthorized Liabilities. The ADMINISTRATOR shall not enter into any agreement by or on behalf of PSERS that (i) is binding on PSERS or allows, either expressly or by operation of law, recourse to PSERS and (ii) creates any actual or potential liability on the part of PSERS that exceeds the scope of authority delegated to the ADMINISTRATOR under this Agreement or (iii) waives any of PSERS' rights, defenses, causes of action, or immunities. Liabilities that are not authorized by PSERS and prohibited by this section include, without limitation, any obligation on the part of PSERS to indemnify a third party or to pay attorney fees, legal expenses, penalties, or liquidated damages.

4. Compensation. It is agreed by the parties hereto that ADMINISTRATOR shall receive _____.

5. The ADMINISTRATOR'S Insurance. The ADMINISTRATOR shall maintain during any period in which it is providing services a policy of errors and omissions insurance for the protection of the Trust, with a limit of liability of at least \$5,000,000, to cover the ADMINISTRATOR, its officers, employees and its affiliates to the extent any affiliate performs services und this Agreement. PSERS may also require the ADMINISTRATOR to maintain a fidelity bond naming PSERS as a loss payee or additional insured in the amount

of at least _____ to cover the ADMINISTRATOR, its officers, employees and its affiliates. Additionally, PSERS may require such other insurance that is customarily provided in engagements contemplated under this Agreement. Unless otherwise approved by PSERS, the maximum deductible on both the errors and omissions policy and the fidelity bond shall be no greater than \$1,000,000. The ADMINISTRATOR shall submit copies of the actual policies of said insurance as directed by PSERS and PSERS shall cause to be issued a written determination on compliance. The ADMINISTRATOR shall thereafter maintain annual filings of current certificates with PSERS. If the ADMINISTRATOR changes insurance carriers for insurance required hereunder, the ADMINISTRATOR shall submit copies of the actual policies of said insurance as directed by PSERS. The errors and omissions policy shall contain a provision or endorsement that coverage afforded thereunder shall not be canceled or changed until the underwriter has furnished to PSERS at least 30 days' prior written notice of any cancellation or change. PSERS may, in its discretion, require such changes with respect to insurance coverage as it deems appropriate for the protection of the Trust by giving written notice of such change to the ADMINISTRATOR.

6. The ADMINISTRATOR as an Independent Contractor. The ADMINISTRATOR shall perform its services under this Agreement as an independent contractor and not as an employee or agent of the Commonwealth of Pennsylvania and shall provide workers' compensation insurance where the same is required. The ADMINISTRATOR accepts full responsibility for the payment of, and shall pay when due, premiums for workers' compensation insurance, Social Security taxes, all income tax deductions and any other taxes or payroll deductions required by law for its employees, servants, or agents who perform services specified by this Agreement.

7. Changes in the ADMINISTRATOR's Status. The ADMINISTRATOR shall provide immediate written notice to PSERS of any change in the ADMINISTRATOR's status, including, without limitation, change in directors, officers, or employees who consult on PSERS' account; modification of business organization; material change in SEC or other government or private registration, accreditation, or licensing; material

deterioration of financial condition including but not limited to the filing of a petition in bankruptcy; the ADMINISTRATOR's awareness that its representations and warranties herein cease to be true; and litigation alleging the ADMINISTRATOR's negligence or fraud.

8. Confidentiality of Reports. All reports and documents relating to PSERS and the Trust prepared and delivered hereunder by the ADMINISTRATOR shall be confidential and shall become the property of PSERS and shall not be published, circulated, or used in any manner by the ADMINISTRATOR without PSERS' prior written approval.

9. Conflict of Interest. The ADMINISTRATOR covenants that it has no interest and shall not acquire any interest, direct or indirect, that would conflict in any material manner or degree with the performance of its services hereunder. The ADMINISTRATOR further covenants that in the performance of this Agreement, it will not knowingly employ any person having any such conflicting interest.

10. Reporting Political Contributions. The ADMINISTRATOR (i) understands and acknowledges that it is subject to the reporting requirements set forth in 25 P.S. § 3260a., (ii) if required to file a report, confirms that it has submitted to PSERS' Executive Director a copy of its current report to the Secretary of the Commonwealth of Pennsylvania, and (iii) hereby agrees, if required to file a report, to submit a copy of each successive report to PSERS' Executive Director by February 15 of each year during the term of this Agreement. ADMINISTRATOR further agrees that for each year in which ADMINISTRATOR is not required to file a report, it will submit a letter to PSERS' Executive Director by February 15 confirming that ADMINISTRATOR is not required to file a report for the year.

11. Notices. Any notice, demand, direction, instruction, or other communication required or permitted hereunder shall be confirmed in writing and shall be sufficiently given for all purposes when sent (a) by certified or registered U.S. mail, postage prepaid, (b) by a nationally recognized courier service that maintains verification of actual delivery, (c) by facsimile, with a copy sent by first-class U.S. mail (provided that if the date of dispatch is not a working day, the facsimile shall be deemed to have been received at the opening of business of the

addressee on the next working day), or (d) by delivering the same in person to any party at the following addresses or such other addresses as may be designated in writing from time to time by the parties:

PSERS: _____,
PENNSYLVANIA, PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM
5 North Fifth Street
Harrisburg, Pennsylvania 17101
Fax: (717) _____

ADMINISTRATOR: _____

Fax: (____) _____

12. Term. The term of this Agreement shall commence on the Effective Date stated above and shall remain in effect through _____, 2024 (the “Initial Agreement Period”). At the end of the Initial Agreement Period, PSERS shall have the right, in its sole discretion, to renew the Agreement beyond the Initial Agreement Period for an additional twelve Months to _____, 2025 (the “First Renewal Period”) by providing written notice to _____. In the event this Agreement is renewed for the First Renewal Period, at the end of the First Renewal Period, PSERS shall have the right, in its sole discretion, to renew the Agreement for an additional twelve months to _____, 2026 (the “Second Renewal Period”) by providing written notice to _____. In the event this Agreement is renewed for the Second Renewal Period, at the end of the Second Renewal Period, PSERS shall have the right, in its sole discretion, to renew the Agreement for an additional twelve months to _____, 2027 (the “Third Renewal Period”) by providing written notice to _____. In the event this Agreement is renewed for the Third Renewal Period, at the end of the Third Renewal Period, PSERS shall have the right, in its sole discretion, to renew the Agreement for an additional twelve months to _____, 2028 (the “Final Renewal Period”) by providing written notice to _____. Either party may terminate this Agreement by giving at least ____ days written notice to the other party. The Effective Date shall be fixed by the Contracting Officer after the Agreement has been fully executed by the ADMINISTRATOR and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The Agreement shall not

be a legally binding contract until after the Effective Date is affixed and the fully executed Agreement has been sent to the ADMINISTRATOR. ADMINISTRATOR shall not start performance of any work prior to the Effective Date, and the Commonwealth shall not be liable to pay ADMINISTRATOR for any services performed or expenses incurred before the Effective Date. No agency employee has the authority to verbally direct the commencement of any work under this Agreement.

13. Reservation of Immunities. PSERS reserves all immunities, defenses, rights, or actions arising out of its sovereign status or from the Eleventh Amendment to the United States Constitution. No provision of this Agreement shall be construed as a waiver of any such immunities, defenses, rights, or actions.

14. Jurisdiction. The ADMINISTRATOR hereby agrees and acknowledges that any legal proceeding involving any contract claim asserted against PSERS arising out of this Agreement may only be brought before and subject to the exclusive jurisdiction of the Board of Claims of the Commonwealth of Pennsylvania pursuant to 62 Pa. C.S. §§1721-1726, and that such proceeding shall be governed by the procedural rules and laws of the Commonwealth of Pennsylvania, without regard to the principles of conflicts of law.

15. Binding Effect. This Agreement inures to the benefit of and binds all parties hereto and their respective successors and assigns.

16. Amendment. No amendment or modification of this Agreement shall have any force or effect unless it is in writing and signed by the parties hereto.

17. Counterparts. This Agreement may be executed in any number of separate counterparts, each of which shall be deemed an original, but the several counterparts shall together constitute but one and the same instrument.

18. Severability. If any one or more of the covenants, agreements, provisions, or terms of this Agreement shall be held contrary to any express provision of law, or contrary to the policy of express law though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements,

provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the remainder of this Agreement or the rights of the parties hereto.

19. Certification of Taxpayer Identification Number. Execution of this Agreement constitutes certification by the ADMINISTRATOR that (a) the number appearing on the signature page is the ADMINISTRATOR's correct taxpayer identification number (or if no number is present, the ADMINISTRATOR is awaiting a taxpayer identification number to be issued) and (b) the ADMINISTRATOR is not subject to backup withholding because (i) the ADMINISTRATOR is exempt from backup withholding, (ii) the ADMINISTRATOR has not been notified by the I.R.S. that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the I.R.S. has notified the ADMINISTRATOR that it is no longer subject to backup withholding.

20. Headings. The headings and captions in this Agreement are for convenience and reference purposes only and shall not be construed or deemed to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions hereof.

21. Contract Documents. The following are hereby incorporated by reference and made a part of this Agreement.

Exhibit A. The Commonwealth of Pennsylvania Standard Contract Terms and Conditions, which provisions may be modified from time to time with written notice to the CONSULTANT

Exhibit B. The Information Security Addendum

Exhibit C. The Proposal, as amended, including by any amendments made through Best And Final Offers

Exhibit D. The Request For Proposal, RFP _____

22. Order of Precedence. If any conflict or discrepancy should arise in the terms and conditions of this Agreement and the Exhibits identified above, or the interpretation thereof, the order of precedence for resolution shall be as follows:

- (i) This Agreement
- (ii) Commonwealth of Pennsylvania Standard Contract Terms and Conditions, which provisions may be modified from time to time with written notice to the ADMINISTRATOR (Exhibit A)

- (iii) The Information Security Addendum (Exhibit B)
- (iv) The Request For Proposal, RFP _____ (Exhibit C)
- (v) The Proposal, as amended, including by any amendments made through Best And Final Offers (Exhibit D)

23. Entire Agreement. Except as hereinabove expressly provided, this Agreement supersedes all prior contracts and undertakings, written or oral, between the same parties concerning the same subject matter.

Exhibit A to
AGREEMENT FOR ADMINISTRATIVE SERVICES

http://www.dgs.pa.gov/Documents/Procurement%20Forms/BOP-1204_Std_TermsAndConditions-PaperContract.pdf

Exhibit B to
AGREEMENT FOR ADMINISTRATIVE SERVICES

Information Security Addendum

(Attached as **APPENDIX O** to RFP)

**APPENDIX A
PROPOSAL COVER SHEET
COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
RFP# _____**

Enclosed in three separately sealed submittals is the proposal of the Offeror identified below for the above-referenced RFP:

Offeror Information:	
Offeror Name	
Offeror Mailing Address	
Offeror Website	
Offeror Contact Person	
Contact Person's Phone Number	
Contact Person's Facsimile Number	
Contact Person's E-Mail Address	
Offeror Federal ID Number	
Offeror SAP/SRM Vendor Number	

Submittals Enclosed and Separately Sealed:	
<input type="checkbox"/>	Technical Submittal <input type="checkbox"/> Domestic Workforce Utilization Certification
<input type="checkbox"/>	Small Diverse Business and Small Business Participation Submittal <input type="checkbox"/> Small Diverse Business and Small Business Participation Submittal Form <input type="checkbox"/> Small Diverse Business and Small Business Letter(s) of Intent
<input type="checkbox"/>	Cost Submittal

<i>Signature</i>	
Signature of an official authorized to bind the Offeror to the provisions contained in the Offeror's proposal:	
	Printed Name
	Title

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE OFFEROR'S PROPOSAL MAY RESULT IN THE REJECTION OF THE OFFEROR'S PROPOSAL

APPENDIX B
DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use the domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. In order to be eligible for any consideration for this criterion, offerors must complete and sign the following certification. This certification will be included as a contractual obligation when the contract is executed. Failure to complete and sign this certification will result in no consideration being given to the offeror for this criterion.

I, _____ [title] of _____ [name of Contractor] a _____ [place of incorporation] corporation or other legal entity, (“Contractor”) located at _____ [address], having a Social Security or Federal Identification Number of _____, do hereby certify and represent to the Commonwealth of Pennsylvania (“Commonwealth”) (Check **one** of the boxes below):

All of the direct labor performed within the scope of services under the contract will be performed exclusively within the geographical boundaries of the United States or one of the following countries that is a party to the World Trade Organization Government Procurement Agreement: Aruba, Austria, Belgium, Bulgaria, Canada, Chinese Taipei, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Liechtenstein, Lithuania, Luxemburg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom

OR

_____ percent (____ %) [Contractor must specify the percentage] of the direct labor performed within the scope of services under the contract will be performed within the geographical boundaries of the United States or within the geographical boundaries of one of the countries listed above that is a party to the World Trade Organization Government Procurement Agreement. Please identify the direct labor performed under the contract that will be performed outside the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement and identify the country where the direct labor will be performed:

[Use additional sheets if necessary]

The Department of General Services [or other purchasing agency] shall treat any misstatement as fraudulent concealment of the true facts punishable under Section 4904 of the *Pennsylvania Crimes Code*, Title 18, of Pa. Consolidated Statutes.

Attest or Witness:

Corporate or Legal Entity's Name

Signature/Date

Signature/Date

Printed Name/Title

Printed Name/Title

APPENDIX C
IRAN FREE PROCUREMENT CERTIFICATION

<http://www.dgs.pa.gov/Documents/Procurement%20Forms/IranFreeProcurementCertificationForm.pdf>

**APPENDIX D
TRADE SECRET CONFIDENTIAL PROPRIETARY INFORMATION
NOTICE FORM**

http://www.dgs.pa.gov/Documents/Procurement%20Forms/TradeSecret_ConfidentialPropertyInfoNotice.pdf

**APPENDIX E
COST SUBMITTAL WORKSHEET**

Cost Submittal Worksheet 1

Part I – Offeror must complete the worksheets below.

- In the tables below, please provide your required revenue for providing the items outlined in the **Scope of Services** described in **Appendix J** of this RFP. Please express your fee both as a percentage of assets, and as a per participant fee. Your pricing **should not assume** any proprietary investment offerings will be included in the array. In addition, please **do not include the cost** for any proposed field representatives. The cost per representative will be calculated in another section of the cost proposal.

A. Full Plan Administration and Recordkeeping

Contract Year	Annual Fee (%)	Assets (\$)	Annual Cost (To be calculated by the Issuing Office)
7/1/2019 – 6/30/2020		26,128,000	
7/1/2020 – 6/30/2021		87,301,000	
7/1/2021 – 6/30/2022		184,355,000	
7/1/2022 – 6/30/2023		319,148,000	
7/1/2023 – 6/30/2024		494,116,000	
		Total Contract Cost	

Contract Year	Per Participant Fee (\$)	Participants	Annual Cost (To be calculated by the Issuing Office)
7/1/2019 – 6/30/2020		22,770	
7/1/2020 – 6/30/2021		42,108	
7/1/2021 – 6/30/2022		58,996	
7/1/2022 – 6/30/2023		74,452	
7/1/2023 – 6/30/2024		88,737	
		Total Contract Cost	

Note: Asset values and participant counts displayed above are only to be used for evaluation purposes. Values are not guarantees for purposes of contract payment and are based on estimated projections found in Appendix L. An example of how annual basis point fee should be shown is “15.5”. In this example, the calculation by the Issuing Office for 2019-2020 would be \$26,128,000 times .00155.

It is the intent of the Issuing Office to have all plan-related services bundled and expressed in Section A above. These include but are not limited to the following as articulated in the **Scope of Services - Appendix J:**

- Full administration and recordkeeping
 - Micro-site and participant website (setup and ongoing)
 - Interfaces with Employers and payroll providers
 - Interfaces with Issuing Office computer systems, as required, to support agreed-upon services
 - Comprehensive Project Management services, including coordination and oversight of tasks related to Issuing Office computer systems changes, where interfaces are required (setup and ongoing)
 - Customer call center (setup and ongoing)
 - General compliance and document services
 - Development of a brand
 - Customized enrollment and communications materials
 - Customized forms
 - Participant statements and confirmations
 - Development and implementation of a comprehensive and holistic communication and education program
2. Please confirm you have not used any assumptions other than those provided in **Appendix L** to generate the pricing information inputted into the tables above.
 3. Please confirm that the Issuing Office may apply a hybrid pricing model whereby there will be both an asset based and per participant fee.
 4. Please indicate what circumstances may impact the pricing above and how the Issuing Office and the plan can realize future price reductions for the services outlined.
 5. Please confirm that your required revenue identified in Section A is not contingent on the use of any proprietary funds.
 6. Please indicate for how long the proposed fees are guaranteed.

B. Dedicated Field Representatives

Please provide the cost in dollars for one (1) dedicated, salaried field representative and indicate how many individuals are recommended as part of your proposal. As discussed within this Request for Proposal, it is intended that the field representatives will be able to discuss both the DC and DB elements (at a high level) with participants/members. **Note that the Issuing Office will calculate the cost for the representatives over the 5-year**

contract with the assumption that 3 representatives will be used to provide services to the plan. This number will be used for evaluation purposes only and in no way requires the Issuing Office to select 3 representatives; the final number will be determined during contracting.

\$_____ per representative/per year

_____ representatives recommended as part of proposal

C. Implementation Coordinator

Please provide the cost in dollars for (1) employee who will work onsite at the Issuing Office’s headquarters during the implementation period and for up to 60 days following the July 1, 2019 implementation. This position will be responsible for acting as a liaison between the Issuing Office and the TPA, facilitating meetings, attending onsite work sessions and working with the Transition Manager to ensure a smooth implementation. The Issuing Office will provide office space, as needed.

\$_____

D. Services provided by a Third-Party Financial Institution

Please provide the annual cost in dollars and in basis points associated with your preferred third-party financial institution to provide all financial services related to administering the plan including but not limited to: ACH debit of all contributions on employer’s pay dates and daily as funds are received, distribution of funds to purchase investments on employer pay dates and daily as funds are received, distribution of funds, purchasing of annuity contracts, accounting and reporting of investment transactions and positions, and reconciliation of investment activity to the custodian banks of the investment managers of the mutual funds in the investment array.

Contract Year	Annual Fee (%)	Assets (\$)	Annual Cost (To be calculated by the Issuing Office)
7/1/2019 – 6/30/2020		26,128,000	
7/1/2020 – 6/30/2021		87,301,000	
7/1/2021 – 6/30/2022		184,355,000	
7/1/2022 – 6/30/2023		319,148,000	
7/1/2023 – 6/30/2024		494,116,000	
		Total Contract Cost	

Contract Year	Flat (\$) dollar fee	Annual Cost (To be calculated by the Issuing Office)
7/1/2019 – 6/30/2020		
7/1/2020 – 6/30/2021		
7/1/2021 – 6/30/2022		
7/1/2022 – 6/30/2023		
7/1/2023 – 6/30/2024		
	Total Contract Cost	

Part II – The Issuing Office will calculate the total costs for each of the sections identified below for inclusion in the Cost Evaluation.

Summary of Cost Calculation by The Issuing Office (The Issuing Office calculation only)

Section	Section Contract Cost
A. Plan Administration and Recordkeeping (asset-based charges)	
B. Dedicated Field Representatives	
C. Implementation Coordinator	
D. Services provided by Third-Party Financial Institution (flat \$ fee)	
Total Contract Cost	

Part III – Additional Fees/Services

In addition to the costs for Plan Administration and Recordkeeping, please detail any additional participant fees that may be assessed (distribution, self-directed brokerage account, DRO, etc.). Please also include fees associated with your Managed Account/Advice service. These fees will not be included as part of the Cost Evaluation and will be used for informational purposes only.

Part IV – Inclusion of Proprietary Investments

As described previously, the Issuing Office is ultimately responsible for the selection of the investment options offered in the plan but may consider the inclusion of proprietary fund offerings separately from this Request for Proposal process. Does pricing change if a proprietary fund(s) is (are) included in the arrays? If so, please indicate the fund(s) and describe the impact to the pricing quotes provided in Section A.

If the investment you are proposing is a fixed/stable value product, please provide the following information:

General Account Product

- Is there a contractually guaranteed minimum interest rate for this account? If so, what is that guaranteed minimum interest rate?
- Will this minimum rate be guaranteed for the life of the contract? If not, what is the guarantee period?
- What is the current interest rate on new deposits?
- When does the current interest rate mature?
- When is a new interest rate established?
- What were the historic interest rates / annual returns on this account over each of the last five years?
- What are the provisions / restrictions for participants to transfer assets from this account to other investment options within the fund lineup?
- What are the provisions / restrictions for participants to withdraw assets from this account, either for distribution or to transfer to another provider?
- What are the provisions / restrictions for the Issuing Office to transfer assets from this account to an alternate provider at contract discontinuance?
- What are the insurance company's current financial strength ratings from AM Best, Fitch, Moody's and S&P?
- Describe the fees and any revenue sharing that may be applicable.

Separate Account

- Is there a contractually guaranteed minimum interest rate for this account? If so, what is that guaranteed minimum interest rate?
- Will this minimum rate be guaranteed for the life of the contract? If not, what is the guarantee period?
- What is the current interest rate on new deposits?
- When does the current interest rate mature?
- When is a new interest rate established?
- What happens to the guarantee of current interest and / or guarantee of minimum interest for those assets if your company becomes insolvent?
- What were the historic interest rates / annual returns on this account over each of the last five years?
- What are the provisions / restrictions for participants to transfer assets from this account to other investment options within the fund lineup?
- What are the provisions / restrictions for participants to withdraw assets from this account, either for distribution or to transfer to another provider?
- What are the provisions / restrictions for the Issuing Office to transfer assets from this account to an alternate provider at contract discontinuance?

- What are the insurance contract/wrap providers current financial strength ratings from AM Best, Fitch, Moody’s and S&P?
- Describe the fees and any revenue sharing that may be applicable.

Cost Submittal Worksheet 2

Part I – Offeror must complete the worksheets below.

1. The Issuing Office may consider offsetting the startup costs associated with the DC Plan with the intent of reducing the overall administrative and recordkeeping costs for participants. Startup costs may include items such as micro-site/website development, system builds, brand/communication development, Implementation Coordinator etc. Please provide your one-time startup costs in dollars assuming an anticipated start up period of August 16, 2018 – June 30, 2019.

Please indicate the items covered in your startup costs (micro-site/website development, system builds, brand/communication development, Implementation Coordinator, etc.).

A. Start Up Costs

Startup costs	Fee (\$)
8/16/2018 – 6/30/2019	

2. In the tables below, please provide your required revenue for providing the items outlined in the Scope of Services described in **Appendix J** of this RFP. Your required revenue below should be based on the assumption the Issuing Office will cover the costs identified in Part 1 above. Please express your fee both as a percentage of assets, and as a per participant fee. Your pricing **should not assume** any proprietary investment offerings will be included in the array. In addition, please **do not include the cost** for any proposed field representatives. The cost per representative will be calculated in another section of the cost proposal.

B. Full Plan Administration and Recordkeeping

Contract Year	Annual Fee (%)	Assets (\$)	Annual Cost (To be calculated by the Issuing Office)
7/1/2019 – 6/30/2020		26,128,000	
7/1/2020 – 6/30/2021		87,301,000	
7/1/2021 – 6/30/2022		184,355,000	
7/1/2022 – 6/30/2023		319,148,000	
7/1/2023 – 6/30/2024		494,116,000	
		Total Contract Cost	

Contract Year	Per Participant Fee (\$)	Participants	Annual Cost (To be calculated by the Issuing Office)
7/1/2019 – 6/30/2020		22,770	
7/1/2020 – 6/30/2021		42,108	
7/1/2021 – 6/30/2022		58,996	
7/1/2022 – 6/30/2023		74,452	
7/1/2023 – 6/30/2024		88,737	
		Total Contract Cost	

Note: Asset values and participant counts displayed above are only to be used for evaluation purposes. Values are not guarantees for purposes of contract payment and are based on estimated projections found in Appendix L. An example of how annual basis point fee should be shown is “15.5”. In this example, the calculation by the Issuing Office for 2019-2020 would be \$26,128,000 times .00155.

It is the intent of the Issuing Office to have all plan-related services bundled and expressed in Section A above. These include but are not limited to the following as articulated in **Appendix J - Scope of Service:**

- Full administration and recordkeeping
- Micro-site and participant website (ongoing)
- Interfaces with Employers and payroll providers
- Interfaces with Issuing Office computer systems, as required, to support agreed-upon services
- Comprehensive Project Management services, including coordination and oversight of tasks related to Issuing Office computer systems changes, where interfaces are required (ongoing)
- Customer call center (ongoing)
- General compliance and document services
- Development of a brand
- Customized enrollment and communications materials
- Customized forms
- Participant statements and confirmations
- Development and implementation of a comprehensive and holistic communication and education program

3. Please confirm you have not used any assumptions other than those provided in **Appendix L** to generate the pricing information inputted into the tables above.

4. Please confirm that the Issuing Office may apply a hybrid pricing model whereby there will be both an asset based and per participant fee.
5. Please indicate what circumstances may impact the pricing above and how the Issuing Office and the plan can realize future price reductions for the services outlined.
6. Please confirm that your required revenue identified in Section A is not contingent on the use of any proprietary funds.
7. Please indicate for how long the proposed fees are guaranteed.

C. Dedicated Field Representatives

Please provide the cost in dollars for one (1) dedicated, salaried field representative and indicate how many individuals are recommended as part of your proposal. As discussed within this Request for Proposal, it is intended that the field representatives will be able to discuss both the DC and DB elements (at a high level) with participants/members. **Note that the Issuing Office will calculate the cost for the representatives over the 5-year contract with the assumption that 3 representatives will be used to provide services to the plan. This number will be used for evaluation purposes only and in no way requires the Issuing Office to select 3 representatives; the final number will be determined during contracting.**

\$ _____ per representative/per year

_____ representatives recommended as part of proposal

D. Services provided by a Third-Party Financial Institution

Please provide the annual cost in dollars and in basis points associated with your preferred third-party financial institution to provide all financial services related to administering the plan including but not limited to: ACH debit of all contributions on employer’s pay dates and daily as funds are received, distribution of funds to purchase investments on employer pay dates and daily as funds are received, distribution of funds, purchasing of annuity contracts, accounting and reporting of investment transactions and positions, and reconciliation of investment activity to the custodian banks of the investment managers of the mutual funds in the investment array.

Contract Year	Annual Fee (%)	Assets (\$)	Annual Cost (To be calculated by the Issuing Office)
7/1/2019 – 6/30/2020		26,128,000	
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7/1/2021 – 6/30/2022		184,355,000	

7/1/2022 – 6/30/2023		319,148,000	
		494,116,000	
		Total Contract Cost	

Contract Year	Flat (\$) dollar fee	Annual Cost (To be calculated by the Issuing Office)
7/1/2019 – 6/30/2020		
7/1/2020 – 6/30/2021		
7/1/2021 – 6/30/2022		
7/1/2022 – 6/30/2023		
	Total Contract Cost	

Part II – The Issuing Office will calculate the total costs for each of the sections identified below for inclusion in the Cost Evaluation.

Summary of Cost Calculation by The Issuing Office (The Issuing Office calculation only)

Section	Section Contract Cost
A. Startup Costs (one-time cost)	
B. Plan Administration and Recordkeeping (asset-based charges)	
C. Dedicated Field Representatives	
D. Services provided by Third-Party Financial Service Institution (flat \$ fee)	
Total Contract Cost	

Part III – Additional Fees/Services

In addition to the costs for Plan Administration and Recordkeeping, please detail any additional participant fees that may be assessed (distribution, self-directed brokerage account, DRO, etc.). Please also include fees associated with your Managed Account/Advice service. These fees will not be included as part of the Cost Evaluation and will be used for informational purposes only.

Part IV – Inclusion of Proprietary Investments

As described previously, the Issuing Office is ultimately responsible for the selection of the investment options offered in the plan but may consider the inclusion of proprietary fund offerings separately from this Request for Proposal process. Does pricing change if a proprietary fund(s) is (are) included in the arrays? If so, please indicate the fund(s) and describe the impact to the pricing quotes provided in Section A.

If the investment you are proposing is a fixed/stable value product, please provide the following information:

General Account Product

- Is there a contractually guaranteed minimum interest rate for this account? If so, what is that guaranteed minimum interest rate?
- Will this minimum rate be guaranteed for the life of the contract? If not, what is the guarantee period?
- What is the current interest rate on new deposits?
- When does the current interest rate mature?
- When is a new interest rate established?
- What were the historic interest rates / annual returns on this account over each of the last five years?
- What are the provisions / restrictions for participants to transfer assets from this account to other investment options within the fund lineup?
- What are the provisions / restrictions for participants to withdraw assets from this account, either for distribution or to transfer to another provider?
- What are the provisions / restrictions for the Issuing Office to transfer assets from this account to an alternate provider at contract discontinuance?
- What are the insurance company's current financial strength ratings from AM Best, Fitch, Moody's and S&P?
- Describe the fees and any revenue sharing that may be applicable.

Separate Account

- Is there a contractually guaranteed minimum interest rate for this account? If so, what is that guaranteed minimum interest rate?
- Will this minimum rate be guaranteed for the life of the contract? If not, what is the guarantee period?
- What is the current interest rate on new deposits?
- When does the current interest rate mature?
- When is a new interest rate established?
- What happens to the guarantee of current interest and / or guarantee of minimum interest for those assets if your company becomes insolvent?
- What were the historic interest rates / annual returns on this account over each of the last five years?
- What are the provisions / restrictions for participants to transfer assets from this account to other investment options within the fund lineup?
- What are the provisions / restrictions for participants to withdraw assets from this account, either for distribution or to transfer to another provider?

- What are the provisions / restrictions for the Issuing Office to transfer assets from this account to an alternate provider at contract discontinuance?
- What are the insurance contract/wrap providers current financial strength ratings from AM Best, Fitch, Moody's and S&P?
- Describe the fees and any revenue sharing that may be applicable.

Listing SDB and SB Subcontractors

The Offeror must list in the chart below the SDBs and SBs that will be used to meet the percentage commitments provided above. Include the SDB/SB firm name, SDB or SB designation, SDB/SB Primary Contact Information, a description of the service or supplies the SDB/SB will provide, fixed percent of total contract cost committed, estimated dollar value of each commitment, and an indication as to the Offeror's intent to utilize the SDB/SB subcontractor for contract options or renewals. Include as many pages as necessary. **Offerors must also include a Letter of Intent as indicated in RFP Part V, Section V-2 for each SDB/SB listed.**

SDB/SB Name	SDB or SB	Primary Contact Name & Email	Description of Services or Supplies to be provided	% of total Contract Cost Committed	Estimated \$ value of Commitment	Will SDB/SB be used for options/renewals? (yes/no)

**APPENDIX G
SMALL DIVERSE BUSINESS AND SMALL BUSINESS
LETTER OF INTENT**

[DATE]

[SDB/SB Contact Name]

Title

SDB/SB Company Name

Address

City, State, Zip]

Dear [SDB/SB Contact Name]:

This letter serves as confirmation of the intent of [Offeror] to utilize [Small Diverse Business (SDB) or Small Business (SB)] on RFP [RFP number and Title] issued by the [Commonwealth agency name].

If [Offeror] is the successful vendor, [SDB or SB] shall provide [identify the specific work, goods or services the SDB/SB will perform] during the initial term of the prime contract and during any extensions, options or renewal periods of the prime contract exercised by the Commonwealth, as more specifically set forth below: [identify the specific time periods during the initial contract term and any extensions, options and renewals when the component work, goods or services will be provided or performed.]

These services represent [identify fixed numerical percentage commitment] of the total cost in the [Offeror's] cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that [SDB or SB] will receive an estimated [identify associated estimated dollar value that the fixed percentage commitment represents] during the initial contract term.

[SDB/SB] represents that it meets the small or small diverse business requirements set forth in the RFP and all required documentation has been provided to [Offeror] for its SDB/SB submission.

We look forward to the opportunity to serve the [Commonwealth agency name] on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

Acknowledged,

Offeror Name

Title

Company

Phone number

SDB or SB Name

Title

Company

Phone number

APPENDIX H
MODEL FORM OF SMALL DIVERSE AND SMALL BUSINESS
SUBCONTRACTOR AGREEMENT

This Subcontractor Agreement ("Subcontract") is made effective as of _____, 20__, by and between _____, ("Contractor") and _____, a Small Diverse Business or Small Business ("Subcontractor") (collectively referred to as the "Parties").

RECITALS

Contractor has entered into a contract dated _____ (the "Prime Contract") with the Department of _____ of the Commonwealth of Pennsylvania ("Commonwealth"). Under the Prime Contract, Contractor has agreed to provide certain supplies, services or construction ("Services") to the Commonwealth.

In connection with the Procurement leading to the Prime Contract, Contractor and Subcontractor entered into a letter agreement dated _____ ("Letter of Intent") whereby the Contractor committed a certain percentage of work ("Small Diverse Business or Small Business Commitment") under the Prime Contract to the Subcontractor.

As contemplated by the Letter of Intent and in accordance with the provisions of the Procurement and Prime Contract, the Parties have agreed to enter into this Subcontract to fulfill the Small Diverse Business or Small Business Commitment expressed in the Letter of Intent and as required by the Prime Contract.

DEFINITIONS

The following words and terms when used in this Subcontract shall have the following meanings:

Bureau – The Department’s Bureau of Diversity, Inclusion and Small Business Opportunities.

Contracting Officer – The person authorized to administer and make written determinations for the Commonwealth with respect to the Prime Contract.

Department – The Department of General Services of the Commonwealth of Pennsylvania.

Issuing Office – The department, board, commission or other agency of the Commonwealth of Pennsylvania that issued the Procurement.

Procurement – The Invitation for Bids, Request for Quotes, Request for Proposals or other solicitation and all associated final procurement documentation issued by the Commonwealth to obtain proposals from firms for award of the Prime Contract.

Small Business – A business in the United States which is independently owned, not dominant in its field of operation, employs no more than 100 full-time or full-time equivalent employees, and

earns less than \$7 million in gross annual revenues for building design, \$20 million in gross annual revenues for sales and services and \$25 million in gross annual revenues for those businesses in the information technology sales or service business.

Small Diverse Business – A Department-verified minority-owned small business, woman-owned small business, veteran-owned small business, service-disabled veteran-owned small business, LGBT-owned small business, or disability-owned small business.

AGREEMENT

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. Subcontractor Representations. Subcontractor represents and warrants to Contractor as follows:

(a) Subcontractor is self-certified as a Small Business in accordance with the requirements and procedures established by the Bureau of Diversity, Inclusion and Small Business Opportunities; [Subcontractor is also verified as a Small Diverse Business by the Bureau of Diversity, Inclusion and Small Business Opportunities in accordance with the requirements and procedures established by the Bureau;]

(b) Subcontractor possesses the necessary knowledge, experience, expertise, capital, resources and personnel required to perform the Services it will provide under this Subcontract;

(c) Subcontractor (i) is duly organized, validly existing and in good standing under the laws of its state of incorporation or organization, (ii) has the power and authority to own its properties and to carry on business as now being conducted, and (iii) has the power to execute and deliver this Subcontract;

(d) The execution and performance by Subcontractor of the terms and provisions of this Subcontract have been duly authorized by all requisite action, and neither the execution nor the performance of this Subcontract by Subcontractor will violate any provision of law, any order of any court or other agency of government, the organizational documents of Subcontractor or any indenture, agreement or other instrument to which Subcontractor is a party, or by which Subcontractor is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, or except as may be provided by this Subcontract, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Subcontractor pursuant to, any such indenture agreement or instrument;

(e) Subcontractor has obtained all licenses, permits and approvals required to perform the Services it will provide under this Subcontract; and

(f) Subcontractor is not under suspension or debarment by the Commonwealth or any other governmental entity, instrumentality or authority.

2. Contractor Representations. Contractor represents and warrants to Subcontractor as follows:

(a) Contractor (i) is duly organized, validly existing and in good standing under the laws of its state of incorporation or organization, (ii) has the power and authority to own its properties and to carry on business as now being conducted, and (iii) has the power to execute and deliver this Subcontract;

(b) The execution and performance by Contractor of the terms and provisions of this Subcontract by Contractor have been duly authorized by all requisite action, and neither the execution nor the performance of this Subcontract will violate any provision of law, any order of any court or other agency of government, the organizational documents of Contractor or any indenture, agreement or other instrument to which Contractor is a party, or by which Contractor is bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, or except as may be provided by this Subcontract, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Contractor pursuant to, any such indenture agreement or instrument;

(c) Contractor has obtained all licenses, permits and approvals required to perform the Services to be provided by Contractor under the Prime Contract; and

(d) Contractor is not under suspension or debarment by the Commonwealth or any other governmental entity, instrumentality or authority.

3. Relationship of the Parties. The provisions of this Subcontract are not intended to create, nor shall be deemed or construed to create, any joint venture, partnership or other relationship between Contractor and Subcontractor, other than that of independent entities contracting with each other solely for the purpose of carrying out the provisions of this Subcontract. Neither of the Parties to this Subcontract, nor any of their respective employees, agents, or other representatives, shall be construed to be the agent, employee or representative of the other party. Neither party shall have the authority to bind the other party, nor shall a party be responsible for the acts or omissions of the other party, unless otherwise stated in this Subcontract. Similarly, the Parties expressly acknowledge that neither the Contractor nor the Subcontractor is an agent, employee or representative of the Commonwealth and each party covenants not to represent itself accordingly.

4. Prime Contract Flow-Down.

(a) General. This agreement is a subcontract under the Prime Contract and all provisions of the Prime Contract and any amendments thereto applicable to the Services being performed by the Subcontractor shall extend to and be binding upon the Parties as part of this Subcontract.

(b) Specific. The Parties agree to comply with the following provisions of the Prime Contract, which are incorporated herein by reference:

- (1) The Americans with Disabilities Act Provisions.
- (2) Nondiscrimination/Sexual Harassment Clause.
- (3) Contractor Integrity Provisions.
- (4) Contractor Responsibility Provisions.

(c) Termination. Should the Prime Contract be terminated pursuant to the terms and conditions provided in the Procurement, such termination shall have the same effect on this Subcontract. Payment for Services provided as of the date of termination must be made in accordance with the Section 13 of this Subcontract.

(d) Audit Provisions. The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents, and records of the Parties to the extent that the books, documents, and records relate to the Parties' compliance with the provisions set forth in subsection (b) above or to the Small Diverse Business or Small Business Commitment effectuated through this Subcontract. The Parties shall preserve such books, documents, and records for a period of three years from the date of final payment hereunder. The Parties shall give full and free access to all such records to the Commonwealth and/or its authorized representatives.

5. Order of Precedence. The Letter of Intent, Procurement and Prime Contract are incorporated herein by reference into this Subcontract. In the event of any conflict or inconsistency among the individual components of this Subcontract, such conflict or inconsistency shall be resolved by observing the following order of precedence:

- (a) This Subcontract;
- (b) The Letter of Intent;
- (c) The Prime Contract; and
- (d) The Procurement.

6. Further Action. The Parties shall take such actions and complete, execute and deliver any and all documents or instruments necessary to carry out the terms and provisions of this Subcontract, to effectuate the purpose of this Subcontract, and to fulfill the obligations of each party hereunder.

7. Description of Services. Subcontractor will perform the following Services for the Contractor which Contractor is obligated to provide to the Commonwealth under the Prime Contract:

[DESCRIBE IN DETAIL THE SPECIFIC SUPPLIES, SERVICES OR CONSTRUCTION THE SUBCONTRACTOR WILL PROVIDE OR PERFORM]

8. Small Diverse Business or Small Business Commitment. The above-referenced Services represent ___ % of the final negotiated total cost for the initial term of the Prime Contract. Any proposed change to the Small Diverse Business or Small Business Commitment must be submitted in writing to the Bureau which will make a recommendation to the Commonwealth Contracting Officer regarding a course of action.

9. Performance of Services. Subcontractor may not subcontract more than 50% of the work subcontracted to it hereunder without written permission from the Bureau. Subcontractor will perform the Services strictly in accordance with any applicable plans and specifications as contained in the Prime Contract and the reasonable deadlines set by Contractor in view of the requirements of the Prime Contract, and in a good workmanlike manner consistent with industry standards, meeting all applicable local, state and federal laws, regulations and policies.

10. Location of Services. Subcontractor will provide the Services at the following address(es):

_____.

11. Timeframe for Performance of Services. The Services will be provided by Subcontractor during the initial term of the Prime Contract, and during any extensions, options or renewal periods of the Prime Contract exercised by the Commonwealth, as more specifically set forth below:

[IDENTIFY THE SPECIFIC TIME PERIODS DURING THE INITIAL CONTRACT TERM AND EXTENSIONS, OPTIONS AND RENEWALS WHEN THE SUBCONTRACTOR WILL PERFORM COMPONENT SERVICES]

_____.

12. Pricing of Services. Subcontractor shall provide or perform the Services at the pricing specified in Exhibit ___ to this Subcontract. [ATTACH A BILL OF MATERIALS, RATE CARD OR OTHER APPROPRIATE COST SHEET COVERING THE SERVICES TO BE PROVIDED.]

13. Payment for Services. Contractor shall exert reasonable and diligent efforts to collect prompt payment from the Commonwealth. Contractor shall pay Subcontractor in proportion to amounts received from the Commonwealth which are attributable to the Services performed by Subcontractor. Contractor shall pay Subcontractor within fourteen (14) days after the Contractor receives such payment from the Commonwealth, unless the parties expressly agree upon a different payment schedule or structure as set forth below:

_____.

14. Utilization Reports. Both the Contractor and Subcontractor shall complete Quarterly Utilization Reports (or similar type documents containing the same information) and submit them to the Contracting Officer and to the Bureau within ten (10) business days at the end of each quarter. This information will be used to determine the actual dollar amount paid to Subcontractor and will also serve as a record of fulfillment of Contractor's Small Diverse Business and Small Business Commitments. If there was no activity during the quarter, then the form must be completed by stating "No activity in this quarter." A late fee of \$100.00 per day may be assessed against the Contractor if its Utilization Report is not submitted in accordance with the schedule above.

15. Change Orders. If the Commonwealth issues any change order or other formal contract instrument either expanding or limiting the work to be performed under the Prime Contract, the Parties shall accept such Change Orders. Contractor agrees to provide Subcontractor with written notice of any such change orders that affect the Services to be provided by the Subcontractor hereunder as soon as practical after Contractor receives such notice. Any resulting increase or decrease in the Services, Small Diverse Business or Small Business Commitment provided for in Paragraphs 7 or 8 above must be in writing, mutually agreed to, and signed by both Parties and communicated to the Bureau. If the Parties are unable to reach an agreement regarding any adjustment to the Services, Small Diverse Business or Small Business Commitment necessitated by a Commonwealth Change Order, the Parties must submit the matter in writing to the Bureau which will make a recommendation to the Contracting Officer regarding a course of action.

16. Force Majeure. Neither party will incur any liability to the other if its performance of any obligation under this Subcontract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but are not limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemic and quarantines, general strikes throughout the trade, and freight embargoes. The existence of such causes beyond a party's control shall extend the period for performance to such extent as may be necessary to enable complete performance in the exercise of reasonable diligence after the causes have been removed.

17. Dispute Resolution.

(a) The Parties will attempt to resolve any dispute arising out of or relating to this Subcontract through friendly negotiations.

(1) The Parties expressly acknowledge and confer upon the Bureau and Contracting Officer the authority to adjudicate disputes that the Parties cannot resolve amicably concerning the Parties' compliance with their Small Diverse Business and Small Business Commitments as provided in the Prime Contract and this Subcontract.

(2) The Bureau may recommend to the Contracting Officer a range of sanctions it deems appropriate if the Bureau determines a party has failed to satisfy or perform its Small Diverse Business or Small Business commitment. Such sanctions include, but are not limited to, one or more of the following: a determination that the party is not

responsible under the Contractor Responsibility Program; withholding of Prime Contract and/or Subcontract payments; suspension or termination of the Prime Contract and/or Subcontract together with consequential damages; revocation of the party's Small Business self-certification status and/or Small Diverse Business verification status; and/or suspension or debarment of one or both parties from future contracting opportunities with the Commonwealth.

(3) The Parties' acknowledge that their prior performance in meeting their Small Diverse Businesses and Small Businesses contractual obligations will be considered by the Bureau during future procurement scoring processes. To the extent a party has failed to meet prior contractual commitments, the Bureau may recommend to the Issuing Office that the party be determined non-responsible for the limited purpose of eligibility to receive SDB/SB points or consideration as a qualified Small Diverse Business or Small Business.

(b) Nothing herein shall be construed to prevent either party from seeking such relief as provided by law in a court or tribunal of competent jurisdiction.

18. Notices. Any written notice to any party under this Subcontract shall be deemed sufficient if delivered personally, or by facsimile, telecopy, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.) with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, and sent to the following:

If to Contractor:

If to Subcontractor:

19. Waiver. No waiver by either party of any breach of this Subcontract shall be deemed to waive any other breach. No acceptance of payment or performance after any breach shall be deemed a waiver of any breach. No failure or delay to exercise any right by a party upon another's default shall prevent that party from later exercising that right, nor shall such failure or delay operate as a waiver of any default.

20. Severability. If any provision of this Subcontract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Subcontract is invalid or unenforceable, but that by

limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

21. Assignment. Neither party may assign or transfer this Subcontract without the prior written consent of the Commonwealth. If Contractor's Prime Contract with the Commonwealth is assigned to another contractor, the new contractor must maintain the Small Diverse Business and Small Business Commitment set forth in the Prime Contract as implemented through this Subcontract.

22. Applicable Law. This Subcontract shall be governed by the laws of the Commonwealth of Pennsylvania.

23. Entire Agreement. This Subcontract constitutes the entire agreement of the Parties regarding the subject of this Subcontract as of the date of execution. No other agreement or understandings, verbal or written, expressed or implied, are a part of this Subcontract unless specified herein.

24. Amendment. This Subcontract may be modified or amended only if made in writing and signed by both Parties. Any proposed change to the Contractor's Small Diverse Business or Small Business Commitment to Subcontractor must be submitted in writing to the Bureau which will make a recommendation to the Contracting Officer regarding a course of action.

25. Binding Effect. This Subcontract shall be binding upon, and inure to the benefit of, the Parties and their respective heirs, representatives, successors and assigns.

26. Counterparts. This Subcontract may be executed by the Parties in counterparts, each of which together shall be deemed an original but all of which together shall constitute one and the same instrument. A party's delivery of a duly executed signature page of this Subcontract in electronic format shall have the same force and effect as delivery of an original signature page.

ADDITIONAL TERMS AND CONDITIONS

[THE PARTIES MAY INCLUDE ADDITIONAL TERMS AND CONDITIONS APPROPRIATE FOR THE SERVICES TO BE PROVIDED SO LONG AS THEY ARE COMMERCIALY REASONABLE TERMS FOR THE APPLICABLE BUSINESS OR INDUSTRY, ARE NO LESS FAVORABLE THAN THE TERMS OF THE PRIME CONTRACT, AND DO NOT PLACE DISPROPORTIONATE RISK ON THE SMALL DIVERSE BUSINESS OR SMALL BUSINESS RELATIVE TO THE NATURE AND LEVEL OF THE SMALL DIVERSE BUSINESS' OR SMALL BUSINESS' PARTICIPATION IN THE PROJECT. SUCH TERMS MAY INCLUDE:

- Background Checks
- Confidentiality/Disclosure of Information
- Data Security
- Insurance
- Invoicing Requirements
- Environmental Protection

Intellectual Property Rights
Record Retention/Audits
Service Level Agreements (SLAs) (consistent with Prime Contract SLAs)
Public Works Construction Requirements (including Bonding, E-Verify, Prevailing Wage, and Prompt Payment provisions)

IN WITNESS WHEREOF, the Parties hereto have caused this Subcontract to be executed by their duly authorized officers as set forth below.

Contractor

Subcontractor

Insert Company Name

Insert Company Name

By: _____
Signature

By: _____
Signature

Printed Name

Printed Name

Title

Title

Date

Date

**APPENDIX I
PLAN OVERVIEW**

	Class T-G (Default Hybrid)	Class T-H (Alternative Hybrid)	Class DC (Defined Contribution Only)
Type of Plan	401(a) Defined Benefit plan and a 401(a) Defined Contribution plan	401(a) Defined Benefit plan and a 401(a) Defined Contribution plan	401(a) Defined Contribution Plan
Eligible participants	<p>All school employees who first become members on or after July 1, 2019 will have 90 days from notice of eligibility to select membership in Class T-G, or T-H, or participation in the DC plan only. If no election is made, employees are defaulted into Class T-G. The election/default is irrevocable regardless of whether the member terminates or has a break in service.</p> <p>Existing members of the System who are active on July 1, 2019 will have a one-time irrevocable right to elect into any of the three new classes within 90 days after notification by the Board that such member is eligible to make an election.</p>		
Participant Contributions	Mandatory employee contribution: 5.50% DB, 2.75% DC Voluntary: after-tax contributions only	Mandatory employee contribution: 4.50% DB, 3.00% DC Voluntary: after-tax contributions only	Mandatory employee contribution: 7.50% DC Voluntary: after-tax contributions only
Employer Contributions	DB actuarially determined, DC 2.25%	DB actuarially determined, DC 2.00%	DC 2.00%
Vesting	DB 10 years of credited service, DC 3 eligibility points*	DB 10 years of credited service, DC 3 eligibility points*	3 eligibility points*

Normal Retirement (DB)	67 years of age with /3 years of credited service; or Rule of 97 with at least 35+ years of credited service	67 years of age with /3 years of credited service	N/A
Early Retirement (DB)	Terminate on or after age 57 with 25 years of credited service (3% reduction for each year under normal retirement); or Prior to age 62 with less than 25 years of credited service (two-step reduction)	Terminate on or after age 55 with 25 years of credited service (3% reduction for each year under normal retirement); or Under age 62 with less than 25 years of credited service (two-step reduction)	N/A
Final Average Salary (DB)	Highest 5 years	Highest 5 years	N/A
Number of Employers	May range between 655 to 762 unique employers (final numbers to be adjusted for employers who no longer offer PSERS to new members))	May range between 655 to 762 unique employers (final numbers to be adjusted for employers who no longer offer PSERS to new members)	May range between 655 to 762 unique employers (final numbers to be adjusted for employers who no longer offer PSERS to new members)
Deposit Frequency	Daily	Daily	Daily
Medium used to remit contribution files	Custom file interface via website upload to be determined in conjunction with selected TPA	Custom file interface via website upload to be determined in conjunction with selected TPA	Custom file interface via website upload to be determined in conjunction with selected TPA
Method used to fund contributions	TPA's financial institution creates ACH debit upon employer report upload submission	TPA's financial institution creates ACH debit upon employer report upload submission	TPAs financial institution creates ACH debit upon employer report upload submission

Number of payroll locations	655 to 762	655 to 762	655 to 762
Number of payroll files transmitted	17,030 to 19,812 based on the assumption of bi-weekly payrolls for each employer (final numbers to be adjusted for employers who no longer offer PSERS to new members)	17,030 to 19,812 based on the assumption of bi-weekly payrolls for each employer (final numbers to be adjusted for employers who no longer offer PSERS to new members)	17,030 to 19,812 based on the assumption of bi-weekly payrolls for each employer (final numbers to be adjusted for employers who no longer offer PSERS to new members)
Participant Investment Direction	Yes	Yes	Yes
Investment Options	TBD –array will include a variety of mutual funds, a fixed/stable value fund and will have a default investment established	TBD –array will include a variety of mutual funds, a fixed/stable value fund and will have a default investment established	TBD –array will include a variety of mutual funds, a fixed/stable value fund and will have a default investment established
Investment Frequency	Daily	Daily	Daily
In-Service Withdrawals	Not permitted	Not permitted	Not permitted
Loans	Not permitted	Not permitted	Not permitted
Participant Statements	Quarterly	Quarterly	Quarterly
Payout Elections DC Account Balances	May be deferred until Required Minimum Distribution (RMD) date	May be deferred until Required Minimum Distribution (RMD) date	May be deferred until Required Minimum Distribution (RMD) date
Payout Options DC Account Balances	Lump sum, and to purchase annuity contract	Lump sum, and to purchase annuity contract	Lump sum, and to purchase annuity contract

Rollovers DC Account	To other qualified plans and IRAs	To other qualified plans and IRAs	To other qualified plans and IRAs
Small balance cash outs of DC Account	Once per year for terminated participants with a balance of \$5,000 and below	Once per year for terminated participants with a balance of \$5,000 and below	Once per year for terminated participants with a balance of \$5,000 and below
Financial Institution	TPA's Preferred Financial Institution	TPA's Preferred Financial Institution	TPA's Preferred Financial Institution

* Each Class requires that participants obtain 3-eligibility points to vest in employer defined contributions. Each eligibility point is earned the first day a contribution is made to the plan on behalf of a participant in a school year (July 1 – June 30). A participant could vest within 14 months assuming an initial contribution occurs prior to the end one school year. Only one eligibility point may be credited in a school year. If a participant terminates prior to vesting, his/her employer contributions must be forfeited to the most recent employer's forfeiture account and applied to offset future employer contributions, if any.

APPENDIX J SCOPE OF SERVICES

The Issuing Office seeks to contract with a provider (hereinafter the “TPA”) who can offer full third-party administration and recordkeeping services to the DC Plan (also referred to as the “plan”). The engagement requires that the TPA commence working with the Issuing Office upon the effective date of the engagement agreement (at execution), expected to occur in mid-August 2018. The Issuing Office expects that during the initial phase of the engagement – beginning on the engagement’s effective date through July 1, 2019 (referred to herein as the “Implementation Period”) - all work will be completed to allow the DC Plan to be fully operational on July 1, 2019 (“Operational Date”). Thereafter, the TPA will provide on-going non-start-up administrative services for the DC Plan. As used herein, any reference to the “System” means the existing defined benefit plan that has been administered by the Issuing Office for the eligible school employees in the Commonwealth of Pennsylvania.

The successful Offeror will be expected to provide the following services to the plan:

1. Implementation of Services
2. Full Plan Administration and Recordkeeping
3. Communication and Education
4. Regulatory Compliance
5. Investment Services

Additional details around each of the services are outlined below:

I. Implementation of Services

The TPA must assign a transition team to work with the Issuing Office and other parties designated by the Issuing Office to complete the implementation of the DC Plan no later than July 1, 2019.

The TPA will be required to provide services before the commencement of actual recordkeeping services. The TPA will not receive any fees under this contract until the Operational Date, unless the Issuing Office elects to pay amounts designated for start-up or transition costs for establishing the DC Plan as described in the Cost Proposal.

The TPA must accomplish the following tasks at appropriate times during the Implementation Period to achieve the successful completion for the purposes of the engagement:

- Assign a Project or Transition Manager(s) to manage all aspects of the implementation and transition and coordinate both with the Issuing Office and with the TPA’s staff.
- Assign a team of individuals, including a Relationship Manager, a Plan Manager and Field Service Representative(s) who will work closely with the Issuing Office during the Implementation Period and thereafter throughout the duration of the contract.
- The TPA may be asked to provide an individual (‘Implementation Coordinator’) who will

work onsite at the Issuing Office's headquarters during the implementation period and for up to 60 days following the Operational Date. This position will be responsible for acting as a liaison between the Issuing Office and the TPA, facilitating meetings, attending onsite work sessions and working with the Transition Manager to ensure a smooth implementation. The Issuing Office will provide office space, as needed.

- Provide an implementation plan that outlines specifics on how the implementation process will be completed, including key milestones, responsibility of each party and identifying possible areas of risk.
- Work with the Issuing Office to provide internal staff of the Issuing Office and Employers (as used herein, "Employer" means each school entity in the Commonwealth of Pennsylvania whose employees are eligible to participate in the DC Plan) training on all aspects of the recordkeeping system and ensure that all necessary administrative procedures have been addressed and documented.
- Collaborate with the Issuing Office to identify required automated interfaces between the System and the DC Plan and coordinate the development of requirements, system design, development, and testing of those interfaces with the Issuing Office.
- Collaborate with the Issuing Office to identify, develop and test the required automated interfaces between the Employers and the TPA to ensure the efficient transfer of contributions and data between the Employers and the TPA.
- Develop and implement a custom brand for the DC Plan that will accurately describe and positively promote the DC Plan, and will identify the Issuing Office as an accessible, comprehensive, and easy-to-use resource for retirement information, education, and tools. The TPA will create ideas for the brand, present them for the Issuing Office's review and approval. The Issuing Office will own all materials developed.
- Be readily available during the Implementation Period to provide assurance to the Issuing Office that requirements have been appropriately determined, systems have been designed to meet requirements, and adequate testing has been completed to ensure the systems handle data appropriately.
- Extend the Implementation Period beyond the Operational Date to address system and business issues that were not anticipated previously, if necessary.
- Additional details are outlined below:
 - Establish contacts with appropriate Issuing Office staff and departments.
 - Hire appropriate staff needed to provide services to the Issuing Office.
 - Collaborate with the Issuing Office, Employers and payroll providers to develop data feeds and file layouts to electronically transmit information to the TPA. The TPA will be responsible for interfacing directly with each Employer to receive and reconcile contributions to ensure accuracy of remittances. Data transmissions

may also include associated defined benefit information that will be incorporated into an annual statement and into the communication and education program to be discussed in greater detail below.

- Set up interfaces with all investment fund managers, the TPA's preferred financial institution and arrange for change of authorizations as needed.
 - Establish administrative rules for operation of the DC Plan in accordance with any applicable business rules adopted by the Issuing Office as may be required, and prepare an administrative manual identifying tasks and procedures for use by the Issuing Office and a separate manual to be used by Employers.
 - Establish written and actual procedures for handling all participant activities including, but not limited to, enrollment, opt-in elections, distributions, employee (mandatory and after-tax voluntary) and employer contributions, rollovers, and separation from service.
- In collaboration with the Issuing Office, develop an initial and ongoing communication and education plan for both employers and participants (actual and prospective). The initial plan will encompass the following elements:

Employers

- The TPA must collaborate with the Issuing Office to design and implement an outreach program to educate employers and their software providers on the requirements for interfacing with the TPA and with the Issuing Office, and the timeframe for implementing those requirements, so that employers are ready for the July 1, 2019 implementation date. The TPA must also coordinate the testing of these interfaces with employers and with software providers, if applicable.
- The TPA must collaborate with the Issuing Office to design and implement an initial outreach program to engage and educate employers prior to the launch of the new DC Plan and the responsibilities and processes around DC Plan operations. This outreach program may include, but is not limited to, live and recorded webinars, conference calls and onsite meetings at key locations around the Commonwealth of Pennsylvania.
- The TPA must prepare materials to be used in education sessions and documentation manuals as well as FAQs that are maintained by the TPA on an Issuing Office website.

Participants

- The TPA must collaborate with the Issuing Office to design and implement an education program that provides clear and understandable information for new members of the DC Plan that clearly describes the decision points and available choices. The TPA will collaborate with the Issuing Office to create a package of materials for newly hired members containing elements of both the DB and DC (Class T-G, Class T-H and Class DC) components. The Issuing Office will be

responsible for distribution of this packet to new members and will track and report any elections to the TPA.

- The TPA must also collaborate with the Issuing Office to develop educational materials for existing members of the System who are active on July 1, 2019 to inform them of their right to elect one of the new classes (Class T-G, Class T-H or Class DC) within a 90-day election time period. The materials must include education on the impact of such election on the member's benefit. The Issuing Office will be responsible for notifying members of their opportunity to make an election and will track and report any elections to the TPA.
- The TPA may utilize the Issuing Office's 7 existing regional offices around the Commonwealth to host educational meetings with participants.

II. Recordkeeping and Administration

The TPA shall perform all services necessary to provide the Issuing Office with full third-party administration and recordkeeping for the DC Plan.

The TPA will engage in discussions with the Issuing Office at the start of the Implementation Period to determine, what administrative functions can be outsourced, and which will be retained by the Issuing Office. Additionally, the TPA will collaborate with the Issuing Office during the Implementation Period to determine the most efficient way establish specific processes required to administer the DC Plan. These processes include, but are not limited to, enrollment, demographic file updates, salary deferral changes, Domestic Relations Orders, death notification, and small balance cash outs. The Issuing Office anticipates handling administrative processes as outlined in **Appendix N** but will consider further refinement with the goal of delivering a seamless experience for participants.

As part of this process, the TPA will provide a manual of tasks, rules, and procedures for operation of the DC Plan, including a description for TPA employees of how all services to be provided will be performed.

The TPA must coordinate with the Issuing Office to identify those administrative rules that must be followed and incorporated into the tasks, procedures and system functionality developed by TPA.

Drafts of the administrative document should be provided by the TPA to the Issuing Office during the Implementation Period with a final copy completed 30 days in advance of the Operational Date. The TPA will review this manual and update it, if necessary, and will submit such changes to the Issuing Office for review and approval before any change is implemented.

The TPA will ensure that the Issuing Office has a qualified account service representative available on a fully dedicated basis to provide timely and comprehensive assistance with all aspects of the TPA's services.

A. Account Information

The TPA must maintain records associated with an individual's account, including, but not limited to: investment balances, contributions (all types), distributions, earnings, administrative fees, address, beneficiary designations, and any other information necessary for the proper administration of a participant's account (and if applicable, a beneficiary or alternate payee's account and for purpose of this document, shall be included in the term "participant"). The Issuing Office will provide the TPA with demographic data and other relevant information on each new hire such that the TPA can establish an account for each participant.

The TPA will maintain records associated with each employer account, including, but not limited to: pay cycle data, payroll manager contact information and employer financial institution information for automated TPA ACH debit requests. This information will be made available to the Issuing Office.

B. Transaction Capabilities

Changes to investment allocations must be made to the participant's record on the date they are requested. Investment transfers received before the closing of the financial markets must be made on the next business day using the previous day's NAV or value.

An error committed by the TPA through the Voice Response System ('VRS'), the Internet, or in regular processing must be corrected and processed as of the effective date of the original transaction.

Any errors made regarding services provided by the TPA must be corrected at the TPA's sole cost and expense so that the value of the participant's account is not less than it would have been had the error not occurred.

The TPA must respond to participant questions and complaints. The Issuing Office will work closely with the TPA on the proper response to these issues. The TPA will develop a process to identify and track any issues, errors or complaints and ensure they are brought to the Issuing Office's attention immediately.

Pursuant to Section 8411(15) of the Public School Employees' Retirement Code, the duties and responsibilities of the Issuing Office that are delegated to a TPA are subject to appeal to the Executive Staff Review Committee ("ESRC") and then to the Board. 22 Pa.Code §§ 201.3a and 201.4a; *see* 24 Pa.C.S. §8411(15). The Board conducts its proceedings in accordance with sections of Part II of Title I of the Pennsylvania Code dealing with evidentiary hearings (1 Pa.Code § 31.1 et seq., and in particular §§ 35.111-35.251), Chapter 201 of the Pennsylvania Code dealing with the applicability of general rules to the Board (22 Pa.Code §§ 201.1-201.12), and the Administrative Agency Law (2 Pa.C.S. § 501 et seq.). The TPA must comply with the Issuing Office's process in notifying participants of their right to appeal such determinations made by the TPA subject to appeal before the ESCR or the Board. The TPA must agree to implement any decisions issued through the appeal process and may also be required to provide data and make itself available to participate in the proceedings.

The TPA must provide a proposal for review and approval designed to formally assess participant satisfaction with the TPA's services.

C. Participant Statements

The TPA is required to prepare and distribute, by first-class mail or by email at participant's request, quarterly statements of account activity that will include beginning and ending balances and activity during the period (contributions, withdrawals, and investment returns) and such other information that may be required by applicable law or at the direction of the Issuing Office. All information must be provided in both dollars and share/unit value. The statements include plan-to-date contributions, comparative charts of asset allocation, year-to-date contributions, and net gain or loss, as well as the various special reporting features, including:

- DC Plan entry date
- Contributions (participant and employer by pre- and post-tax)
- Vesting
- Corrections
- Default investment

D. Service Agreements with Investment Managers

The TPA will be required to consummate service arrangements, on the Issuing Office's behalf, with investment managers providing services to the DC Plan. The contractual arrangements may include coordination of applicable administrative procedures and/or obtaining compensatory payment for conducting individual participant account recordkeeping. Any payments negotiated by the TPA, Issuing Office or its representatives would need to be collected by the TPA and used to offset DC Plan costs on a disclosed basis. The TPA, however, cannot enter into any agreement on behalf of the Issuing Office that is binding on the Issuing Office, allows recourse to the Issuing Office, creates any actual or potential liability on the part of the Issuing Office, except as otherwise authorized by the Issuing Office, or waives any of the Issuing Office's rights, defenses, causes of action, or immunities.

E. Changes to Fund Managers

All decisions regarding the investments offered under the DC Plan are made by the Issuing Office. It is possible that, as a result of the Issuing Office's ongoing review, there could be changes to an investment offering at any time. The TPA must assist in implementing any changes to an investment offering, including any required blackout period and reconciliation as well as communicating them to participants.

F. Interface and Coordination with the DC Plan Third-Party Financial Institution

The TPA will perform actions necessary to properly and effectively coordinate its administration and other contracted services with its preferred third-party financial institution. The TPA will interface with the preferred financial institution and will perform all administrative, recordkeeping, accounting and reporting functions in a manner that coordinates effectively with

the trade / settlement processing, custody, daily valuation, performance reporting related to the assets and transactions associated with the DC Plan, which are performed by the financial institution. Coordination may require consummating agreements with the selected financial institution.

G. Distributions and Annuity Recordkeeping

The TPA will be responsible for distributing assets upon request from a participant who has separated from service and confirmation from the Issuing Office that the participant is eligible for a distribution. The Issuing Office will inform the TPA if a participant returns to service and will require the TPA to suspend distribution payments.

The TPA will also be responsible for maintaining a record for each participant who has elected an annuity (the record will include profile information, annuity purchase amount and other data as determined).

H. DC Plan Level Reporting

A listing of the reports expected to be provided by the TPA can be found in **Appendix M**. The Issuing Office may require adjustments to reports or ad hoc reporting, as needed.

I. Online Access

The TPA must provide the Issuing Office with a method to access participant demographic and other account information, account balances, transaction history, and withdrawal payout information on the TPA's system. The TPA must be able to provide varying levels of access and transactional capabilities such that the Issuing Office may limit staff's ability to make changes to a participant's account.

J. Remittances

The TPA must be able to accommodate multiple payroll remittance files with different payroll processing schedules and to interface with each employer to receive payroll and data. The TPA will validate all employer payroll remittance files by generating expected contribution amount totals by class and by employee and employer splits for each class after an employer file is uploaded. Upon finalization of the upload, the TPA system will automatically create an ACH debit request on behalf of the employer. The employer will be able to upload payroll remittance files up to 3 days before actual payroll date and the TPA automated ACH debit request will be sent as of the listed pay date on the remittance file.

The TPA must ensure the secure transmission of data between the Issuing Office and employers both to and from the TPA via the following methods:

- establishing a secure electronic data feed(s) (FTP) based on a format agreed upon by the TPA and the Issuing Office;

- provide an employer/DC Plan sponsor website that allows all employers to submit their respective data files securely to the TPA.

K. Employer Statements

The TPA is required to prepare and make available a monthly statement for each employer of said employer's uploaded salary and contribution information as identified in **Appendix M**. A monthly summary report of all employers will be prepared and made available to the Issuing Office on an employer basis.

L. Employer Delinquency

TPA will automatically generate a delinquency e-mail with agreed upon language to the employer payroll contacts for all employers one day delinquent based upon employer pay cycle to be maintained by the TPA. A TPA daily delinquency report will also be provided to the Issuing Office listing all delinquent employers as shown in **Appendix M**.

M. Non-Vested Employer Contributions

The TPA will track and accumulate all non-vested employer contributions by employer. The accumulated balances will be reflected on the monthly employer statement as shown in **Appendix M**.

N. Voice Response System (VRS)

The TPA must maintain voice response capabilities to provide the required services to the DC Plan. The VRS access will be available 24 hours a day, except for the time necessary for normal maintenance of the system and updating of information. The telephone number must be TDD/TTY capable. The VRS must provide the following information and services to the participant from a touch-tone telephone:

- General DC Plan overview information including how to reach a customer service representative at the Issuing Office and other topical information;
- Current account balance, broken down by investment option;
- Current investment returns;
- Current unit values or share prices;
- Daily changes in share prices or unit values;
- Inquiries about current investment election (allocation of investment returns);
- Changes to allocation of future contributions;
- Transfers of existing assets between investment options;
- Requests for the most recent statement, DC Plan informational brochures and forms.

Inquiry services available through the VRS must use the most current available share prices, unit values and account balances as of the previous day.

O. Customer Call Center

Customer service representatives must be available to answer participant questions during normal business hours each business day. All telephone calls must be recorded and maintained in a retrievable location throughout the duration of the engagement. The TPA must provide access to these recorded calls to specific individuals designated by the Issuing Office. The TPA will provide participants initiating transactions via customer service representatives with a confirmation number followed by a written or electronic confirmation at the choice of the participant.

In addition, the TPA must provide the Issuing Office with monthly reports on service center activity including, but not limited to, purpose of calls, call wait time, abandoned calls and voice response system and Internet usage.

The TPA will ensure that the personnel answering the customer service lines are qualified to provide information on the investment offerings under the DC Plan and to discuss investment concepts and retirement planning considerations. The personnel will also be cross-trained to provide high-level information on the portion of the participant's benefit accrued under the System, including assisting with the selection of Class T-G, Class T-H or Class DC within 90 days of notice of eligibility.

If a participant requires assistance relating to the participation in the System and the TPA's representative is unable to respond, the representative will initiate a warm hand-off to the Issuing Office's call center staff or will connect with the Issuing Office's staff via email with a request to contact the participant to resolve his/her questions.

The TPA must provide assistance to a participant who desires to cause a distribution from the DC Plan and advise participants of payment options as well as informing terminated participants of their ability to retain their account in the DC Plan until a distribution is required by applicable law.

The TPA will ensure that any investment information is provided in a manner consistent with the requisite insurance and securities laws, and that all personnel, who provide such information, will be properly licensed with all required regulatory agencies, if applicable.

If unavailable at the time of a phone call, the TPA's representative will call back a participant on the next business day.

P. Correction of Contributions

The TPA should provide for a process for reversing or correcting erroneous transactions, the correcting activity is generally a full account back out and reposting. The TPA should identify the type of error and whether the error is a result of the Employer or the TPA and will work closely with the Issuing Office when such an event occurs. Incorrect postings due to the TPA's error are corrected and funded by the TPA.

The Issuing Office or Employers will electronically transmit adjustments to participant accounts to the TPA. The TPA will be expected to trade all negative and positive transactions on the specified trade date. The TPA reviews the negative transaction created to ensure that there are sufficient funds to cover an adjustment. All cash contribution adjustments will be reflected in the Daily Cash Activity Report and monthly Employer Statements as outlined in **Appendix M**.

If a participant elects out of Class T-G (Default Hybrid) to one of the other classes, the participant must be treated as if he/she was a member of the elected class as of the date of membership in the System. The participant's account must be classified under the appropriate class. Adjustments to employer contributions and participant contributions must be made retroactive based on the employer and participant contributions required for the elected class. No retroactive adjustment shall be made to investment earnings or losses.

Q. Correction of Investment Earnings

If an operational error occurs in the administration of the DC Plan, the TPA shall have the ability to correct and shall cooperate with the Issuing Office and its directions in the correction of such errors in a manner that the Issuing Office determines is required to maintain the "qualified" status of the plan and compliance with all other applicable law. All associated earning penalties requiring payment by the employer will appear on the monthly Employer Statement if payment was not received in the same month as the penalty was calculated. The employer penalty amount will remain on the Employer Statement until the employer payment is received by the TPA as outlined in Appendix M.

R. Fees

Fees may be collected on either a disclosed or undisclosed basis (netted from returns prior to crediting of returns) or both as directed by the Issuing Office. The fee schedule may be a per-participant fee, an asset-based fee or a combination. The Issuing Office may also require the TPA to collect fees in a manner that would limit the amount of fees collected on large individual account balances such as a graduated asset fee or may limit the amount collected on a small account balance. Participant fees must be fully disclosed and transparent in enrollment materials and on participant statements.

S. Data Security and Records Retention

The TPA must keep duplicates or back-up computer data files maintained in connection with the engagement with the Issuing Office at an alternate site. Maximum recovery time shall not exceed 24 hours from the start of the triggering event. Additionally, the TPA must have a disaster recovery plan in effect and will be required periodically by the Issuing Office to provide evidence that the plan has been tested within the last 12 months.

All computer data files for the DC Plan as maintained by the TPA shall at all times be and remain the property of the Issuing Office, notwithstanding that such records may be stored on or within one or more computer or data retention systems owned, operated or leased by the TPA. To the extent that any such records are to be maintained upon a computer system, or any other

data retention system, which is not owned by the TPA, the TPA will provide the Issuing Office with assurances from the owner of such computer facilities, satisfactory to Issuing Office of the continued availability and security of such records.

The TPA must provide access to the Issuing Office to all back-up source materials, reports, books, records, computer programs, and all other information and documentation relating to the DC Plan as reasonably required so that the Issuing Office and/or its designated officers, agents and accountants or applicable departments, offices or agencies of the Commonwealth of Pennsylvania, can conduct a financial examination and/or audit of the DC Plan.

The TPA shall be responsible for maintaining security requirements as outlined in **Appendix O**.

The TPA shall not destroy records of any participant or other records maintained in any form in connection with the engagement without first contacting the Issuing Office in writing and securing the Issuing Office's consent to any such destruction. Upon contract termination, the TPA shall provide the Issuing Office with the following participant data records from enrollment in the DC Plan in an agreed upon format including, but not limited to:

- Account balances
- Contributions
- Distributions
- Interest postings
- Deferral changes
- Investment allocation changes
- Court orders
- Beneficiaries Designations
- Current Investment allocation
- 1099R information
- Member statement of Accounts
- Images of Paper documents received from members since inception

The employer data in an agreed upon format, including but not limited to:

- Employer transactions,
- Employer balances
- Employer Statement of Accounts

T. Meetings

The TPA will be expected to participate in periodic meetings with the Issuing Office either onsite or via phone. The manner of TPA's participation in each meeting, and the schedule set for each meeting, will be mutually agreed upon by Issuing Office and the TPA. It is expected that the TPA will attend the following meetings:

- Operations and meetings with the Issuing Office's staff (Quarterly)

- DC Plan-level strategy meetings (Semi-annually)
- Communications and education strategy and implementation (Quarterly)
- Meetings with Issuing Office partner organizations (as needed)
- Other meetings as requested by Issuing Office or TPA

III. Communication and Education

The TPA will be required to design and lead the development of an ongoing customized educational campaign directed towards participants in the DC Plan with information encompassing: (1) both participation in the System and the DC Plan by a participant in Class T-G, Class T-H and Class DC, and (2) investment option election strategies. The campaign should be designed to engage the participant in ways that promotes awareness of the DC Plan. This campaign will include a combination of tailored communication materials, group and one-on-one meetings and targeted messages. The TPA will also be asked to provide materials relating to the DC Plan to be included in the Issuing Office's periodic newsletter which is distributed three times per year.

All campaigns developed should also include recommendations on the method and frequency with which materials will be distributed (e.g., statement stuffers distributed at group educational meetings, left at employment locations, mailed by the TPA, etc.) and how frequently meetings should be held.

A. Communications Requirements

Communications must present an unbiased approach when providing investment information and should educate participants about all aspects of the DC Plan, including retirement planning, investment options, performance and distribution selections.

The TPA will be responsible for preparing, in consultation with the Issuing Office, all DC Plan communication materials in both printed and HTML format (for posting on TPA's and/or the Issuing Office's website). Preparation includes the design, layout HTML formatting, printing, and where necessary, the mailing of all materials.

The Issuing Office's communications staff will actively participate in the design, drafting and approval of all communication pieces. The Issuing Office will request edits and redrafting of materials as necessary and may require communications materials in alternate formats and languages upon request. In addition, TPA will send finished publication through its internal compliance review process.

All communications, publications and forms must be customized for the Issuing Office. All materials produced by the TPA are for the sole use of participants and are the property of the Issuing Office. All materials must reflect the branding that will be developed as part of the contract and shall not highlight or otherwise serve as a vehicle to promote the TPA, other relationships or services beyond those offered through the DC Plan. This custom branding will apply not only to printed materials, but also to the custom website.

B. Participant Education

The TPA, in conjunction with the Issuing Office, shall prepare and execute a comprehensive participant education program which may include, but is not limited to the following components:

- Provide targeted communications developed using data mining that provide pertinent and actionable messaging at various stages of the participant's employment lifecycle.
- Communicate regularly with the Issuing to review educational materials, coordinate activities and maintain open lines of communication.
- Provide group-level and/or one-on-one employee sessions designed to provide a holistic understanding of the System and the DC Plan benefits and investment offerings. These meetings should be conducted by tenured and field representatives (if required by applicable law, with appropriate licensing) throughout the Commonwealth of Pennsylvania who have the requisite skills and knowledge of the System and the DC Plan. Field representatives must be compensated solely on a non-commission basis and may not cross-sell other products or services.
- Conduct live webinars on a monthly basis for newly hired employees. These webinars will be designed to provide education around the DC Plan and assist participants in understanding the differences between Class T-G, Class T-H and Class DC during the 90-day election period prior to defaulting into Class T-G. The information provided would be neutral in nature and will describe in detail the structure and benefits provided by all three classes. No marketing to any class shall occur in any education workshop/webinar. Webinars must be made available to be posted on the TPA's or the Issuing Office's website.
- Schedule, register participants, host and record periodic live webinars with subject matter experts internally from the Issuing Office and externally to provide education on a variety of retirement readiness topics. Recorded webinars must be reviewed and approved by the Issuing Office before they are added as links to the TPA's web site.
- Develop, with the input and approval of the Issuing Office, both electronic and hard copy booklets and video presentations* explaining:
 - Welcome packets for new members providing an overview of Class T-G, Class T-H and Class DC (including both DB & DC components)
 - DC Plan Choice outlining the different plan options and providing guidance on making an appropriate selection based on each participant's unique needs
 - DC Plan investment information
 - DC Plan distribution information
 - Understanding the quarterly statement
 - Online account access

* Videos may include voiceover PowerPoint presentations or traditional videos, should be 20 minutes or less in length, and must be approved by the Issuing Office. Videos must be available for web delivery. The TPA will be required to modify and reproduce videos in the event of changes.

To facilitate the development of a communications/education program, the Issuing Office will provide in-person training to personnel of the selected TPA at a location to be mutually agreed upon relative to the statutory provisions, rules, policies and procedures of the Issuing Office and the System/DC Plan. The duration of the training will be determined on an as needed basis.

C. Employer Education

The TPA will work with the Issuing Office to develop communications, tools and other resources that can be provided to employers to assist in their understanding of the DC Plan and responsibilities.

The TPA will participate in periodic webinars, live meetings or conference calls to provide employers with training on the systems and remittance processes. The TPA will be asked to provide an annual training conference or webinar that will be offered to all employers.

The TPA will provide employers with technical support relating to the DC Plan website.

D. DC Plan Administrative Forms

The TPA, with input and approval from the Issuing Office, must prepare all forms required to administer the DC Plan, including hard copy and web-based forms.

E. Fulfillment Services

Publications and forms must be delivered by the TPA to all employers upon request. The Issuing Office intends to maintain a supply of all materials on-site and expects the TPA to be able to restock that supply with two-three weeks notice.

As determined by the Issuing Office, specific materials will be emailed or mailed directly by the TPA to participants at their address of record. These materials may include, but would not be limited to: confirmation letters, letters announcing new DC Plan investment options, investment related information and updated brochures.

F. Website

The TPA must develop and maintain a customized website that will house DC Plan level information around the DC Plan choices, contribution levels, investment options and the current schedule for group-level education meetings and workshops prior to participant log in. The TPA website must:

- Provide the ability to view and print publications and forms and register for educational session online.
- Provide streaming video and interactive communication abilities.
- Provide complete Web-based communications opportunities for actual and prospective participants who do not want to receive written materials.
- Provide secured access to participant account information for:
 - Account balance and contribution information and history;
 - Fund transfer and allocation change capability;
 - Ability to view and print quarterly statements online;
 - Ability to request and view personalized statements online for historical periods;
 - Ability to create initial password online to set up account access.
- Include customer support capacities to respond to and trouble-shoot participant technical difficulties.

The TPA should expect and plan for frequent changes. The website should be designed with flexibility to re-structure and update content often as well as use responsive web design (RWD). TPA should test site on multiple platforms, including handheld devices.

IV. Regulatory Compliance

The TPA must comply with any changes that may occur as a result of new legislation (either State or Federal), DC Plan document or other applicable law. Additionally, the TPA must provide notification to the Issuing Office of any regulatory or legislative changes that may impact the DC Plan.

A. Tax Withholding and Reporting

The TPA will be responsible for calculating and depositing the IRS withholding deductions. The TPA will provide periodic reconciliation reports and annual IRS Form 1099-R detail data to the Issuing Office for reconciliation and assist the Issuing Office with any discrepancies. Annual detail must be sent to the Issuing Office by January 31st of each year.

The TPA shall timely process all required year-end tax reports for all participants, Alternate Payees and Beneficiaries, including tax forms, as instructed by the Issuing Office.

The TPA will be responsible for creating and mailing Form 1099-R's to all participants enrolled in the DC Plan. To comply with IRS regulations, the TPA will be required to produce separate 1099-R's for each distribution type. Multiple 1099-R's will be generated for multiple distribution types. Federal tax regulations require a 1099-R to be issued by January 31st of each year for persons having constructive receipt of payment during the associated tax year. The TPA will provide annual reports of IRS compliance activity including:

The number of DC participants and beneficiaries receiving distributions through the Contractor during the calendar year, number of 1099 and 1042-S forms issued, total taxes withheld and remitted to the IRS, and if required, copies of reporting forms.

The TPA will be responsible for creating and mailing Form 1042-S to beneficiaries who are foreign residents. Federal tax regulations require a 1042-S to be issued by March 15th of each year for constructive receipt of payment during the associated tax year.

The TPA should report to the IRS the file containing all 1099-Rs and all “corrected” 1099-Rs processed by the federally mandated deadlines of March 31st and July 31st of each year, respectively. . In addition, the TPA should report to the IRS the file containing all 1042-S forms processed by the federally mandated deadline of March 15th of each year.

The TPA will provide the Issuing Office a detail file of forms 1099-R or any other required tax forms for reconciliation and assist with any discrepancies. The TPA will provide the Issuing Office a detail file of forms 1042-S or any other requested tax forms for reconciliation and assist with any discrepancies.

The TPA will be solely responsible for any tax penalties and/or interest that may arise due to errors it made in remitting withheld amounts to the appropriate government authorities.

B. After Tax Basis Recovery

Distributions from the DC Plan may have tax basis in after-tax contributions contributed to the DC Plan due to the opportunity for a participant to make voluntary after-tax contributions to the DC Plan. The TPA will be responsible for reporting basis recovery. The TPA should work with the Issuing Office to ensure proper component, method and record types are used.

B. IRS Provisions

The TPA must provide monitoring for and compliance by the DC Plan with applicable IRC provisions, such as IRC Section 415 limits and required minimum distributions.

C. Program Audits

The TPA must provide, within 20 days of the close of each quarter end, a reconciled quarterly summary report and at fiscal yearend an annual summary report for each class (T-G, T-H, DC). The report will be fully reconciled with the sum total of participant transactions for the relevant period, as reflected on the TPA’s records.

The TPA will also cooperate fully in the development and execution of audits of the DC Plan. A separate audit may be conducted for each class of participation in the DC Plan. The audits will be conducted in accordance with generally accepted auditing standards (GAAS) and will be performed on a fiscal year basis with a fiscal year ending June 30 of each year. In addition, these audits will include certain test procedures as directed by the Issuing Office, including, but not limited to the following:

- Reconcile between the third-party financial institution or other party’s plan asset records, the Issuing Office’s records and the TPA’s participant records;

- Confirm assets held in trust/custody under the supervision of the third-party financial institution or other party with the parties providing the actual investment options;
- Reconcile revenue received by the third-party financial institution or other party with the specific revenue of the various investment options;
- Test charges to DC Plan assets and withdrawals from the DC Plan to determine compliance with trustee/custodial agreements and DC Plan provisions;
- Test actual investments held by the third-party financial institution or other party to determine whether they coincide with actual participant records.
- Audits of IT security standards to confirm compliance with the standards found in **Appendix O**.
- Audits to confirm compliance with IRC rules and regulations, DC Plan Document and any other regulatory requirements for the DC Plan.

V. Investment Services

All decisions regarding the investments offered under the DC Plan are made by the Issuing Office. As part of the implementation of the DC Plan, the Issuing Office will undergo a process to identify, review and select investments to create a streamlined investment array that provides participants with the opportunity to diversify their retirement savings. As part of this process, the Issuing Office may consider the inclusion of proprietary investment products or services from the selected TPA for inclusion in the array. This process will occur separately from the process to select a TPA firm. The TPA will be expected to provide the following services as part of the engagement:

- A completely open architecture investment platform that complies with the National Securities Clearing Corporation (NSCC) and other generally accepted trading requirements for defined contribution plans.
- Participant financial advice and guidance.
- Ability to support custom target date funds and/or other custom portfolio model services.
- Ability to support white labeled funds.
- Ability to offer a self-directed brokerage window.
- Ability to support or offer an annuity payout option that provides for an interest rate of at least 2.50% to the extent commercially available.

APPENDIX K QUESTIONNAIRE

Proposals must include a written response to each question or statement. The response should reflect the TPA's understanding of the stated requirements and the TPA's qualifications and experience in providing the required services. The responses to the following questions are expected to be incorporated as part of the contract between the TPA and Issuing Office. Please provide succinct answers. All references to "you" or "your" constitute a reference to the company of the TPA.

I. TPA Firm Overview, Governmental Plan Experience

A. Company Information

1. Provide the company name, address, and type of legal entity.
2. Provide the name, title, mailing address, email address, and telephone of the contact person who the Issuing Office may contact should there be questions regarding this response.
3. Briefly provide an overview of your company and the history of the organization. Describe any parent/subsidiary/affiliate relationships. Are you currently participating in any alliances or joint marketing efforts? If so, describe in detail.
4. Are there any pending agreements or any active or contemplated negotiations or intentions to merge or sell your company or any portion thereof or to acquire another company? If yes, please explain.
5. What is the most recent date when the company or any component of the overall organization had a change in business structure -whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the defined contribution plan record keeping division and how the company provides such record keeping services?
6. If applicable, please provide the current credit ratings from the four major ratings agencies – A.M. Best, Fitch, Moody's and S&P for the company and its subsidiaries.
7. Please supply an independently audited company financial statement as of the most recent fiscal year end.
8. Please include a written copy of the company's strategic plan. If the company cannot provide the strategic plan, please provide a synopsis or summary of the company's strategic plan, including the following:
 - a. Level of commitment that management has to building market presence,

- b. Plan for enhancing current products/service offerings (including hardware and software used to perform services and employee training),
 - c. Plan for developing new products/service offerings,
 - d. Plan for controlling growth of the defined contribution business, and
 - e. Plan for controlling the growth of administration beyond the defined contribution business.
9. List all subcontractors proposed to be used to provide any of your services, and fully describe the nature of the services to be provided and the subcontractor’s experience and expertise.
10. Describe your errors and omissions coverage/professional liability, fiduciary liability insurance, and cyber liability insurance coverages, including the risks covered, carriers, levels, limits, and deductibles. Please also describe any additional types of insurance coverage and indemnification provided to protect clients. Please note, as part of the contract you will be required to indemnify and hold harmless the Issuing Office.
11. Provide the amount of the company’s expenditures record keeping expenditures in relation to the company’s total company-wide expenditures. If you cannot provide actual figures, please provide the ratio of record keeping expenditures to total company expenditures within the given time frames. You do not need to provide ratio figures if you can provide total expenditures for the years listed:

	Record keeping expenditures	Total company expenditures	<u>Or:</u> Ratio of record keeping to total spending
Total for 2017	\$	\$	
Total for 2016:	\$	\$	
Total for 2015:	\$	\$	
Total for 2014:	\$	\$	

12. Please provide the average annual turnover of staff associated with the recordkeeper services of the company.

B. Contracts, Pending Litigation and Recent Corporate Actions

13. Has your company been involved in litigation, regulatory or other investigations in the last five years or are there any pending litigation, regulatory or other investigations arising out of your performance or participation in servicing a client or delivering services similar to those outlined in the Scope of Work in this RFP? If so, please fully describe, including an explanation of the resolution of the matter, whether formally or by settlement. Exclude routine interpleader actions, garnishments and similar routine matters involving participants and beneficiaries that do not reflect on your performance of your contract.

14. Has your company ever filed or been petitioned into bankruptcy or insolvency or has your company ever made any assignment for the benefit of your creditors? If so, please fully describe, including whether such a petition has been discharged.
15. Identify any potential conflict of interest, or appearance of a conflict of interest, that your company would have in providing the services requested. Describe how you will handle this and why it should not be detrimentally viewed.

C. Data Security

16. Describe your company's data security team. Indicate the size, roles and responsibilities of personnel.
17. Describe the system protocols in place to ensure the integrity and security of records, data, and information and to prevent data theft. Has there ever been an instance where any of your systems were compromised? How does your company define a data breach? What is your corporate policy in notifying clients and participants if a data breach has occurred? What services, if any, are offered to clients and participants in the event of a data breach or potential data breach?
18. Please discuss your process for providing training to your workforce to prevent data breaches?
19. Describe your company's system back-up, security, and disaster recovery procedures. Are files archived and stored at an off-site location? If so, where is the location? Have procedures been tested? When did you last perform a full-scaled disaster recovery test? If you are not using backup, what do you use? If using a hot or warm site, provide the disaster recovery and business continuity plans. How is that controlled?
20. How does the company use independent, third-party testing and benchmarking to ensure compliance with security protocols? Describe how and the frequency of which third-party security audits are conducted. Provide a summary report of your most recent security audit.
21. How does the company assess potential risk associated with vendors? How will the company work with the Issuing Office to provide training and ensure best practices are used on both sides to protect participant data.
22. What security features are in place to ensure only the correct participant is given personal information? Describe your Personal Identification Number (PIN) generation capabilities (for new participants) and on-going PIN administration capabilities.
23. How do you control system access internally and on a client level?
24. Does your website have multi-factor authentication? Does your website have self-provisioning for maintaining multi-factor authentication?

25. The Issuing Office requires all participant data, including phone calls to be provided prior to deletion or transition to a new provider in order to meet participant, audit and DRO requests. Please describe your proposed method of providing the data so it can be used by Issuing Office and what records you expect to provide. Please also describe your process for data destruction at the end of the contract.

D. Defined Contribution (DC) Plan Experience

26. What are your client retention statistics for each of the last three years? What is the historic average duration of client relationships for the company? For those clients who discontinued services, what percentage left due to issues pertaining to services provided by the company? Describe the particular reasons why relationships were terminated.
27. Provide the number of years' experience your company has in providing administrative services for IRC Section 401(a) plans. Specifically, please provide your experience working with DB/DC hybrid plans.
28. List the three largest governmental 401(a) plans you administer. Identify the plan name, plan type, assets and participants for each.
29. Provide the total number of member accounts you administer on your record keeping system. How many are Section 401(a) plan participants?
30. Identify the number of defined contribution plans your company currently administers with the following assets:

	Number of Members in Plan	Number of DC Plans	Number of Governmental DC Plans	Number of Governmental 401(a) Plans
Less than \$500 million				
\$501 million to \$1 billion				
\$1 billion to \$5 billion				
\$5 billion to \$10 billion				
More than \$10 billion				
Total				

31. How many complex start-up plans similar to the DC Plan described in Act 5 has the company implemented in the past 10 years. Please provide examples and any relevant experience.

32. Provide three governmental defined contribution plans administered by your company for at least three years as references. References should be clients you consider the most similar to the Issuing Office. Provide a contact name, address, and phone number so that the Issuing Office may contact these references if desired. Include the approximate number of participants, total plan assets, and a brief description of services provided and why they are similar to those requested by the Issuing Office.

Plan Name			
Plan Type			
# Participants			
Total Assets			
Service Provided			
How similar to the Issuing Office			
Contact			
Phone #			
Email			

II. Implementation Strategy, Relationship Management, and Recordkeeping Operations

A. Implementation Strategy

33. Provide a draft implementation plan outlining the key milestones and other necessary steps needed to implement the DC Plan (Class T-G, Class T-H and Class DC) by July 1, 2019. Describe your strategy for implementation and the rationale behind your proposed plan.
34. Please describe your experience implementing a DB/DC hybrid plan. In your experience, what do you see as the major areas of operational and compliance risk. Please describe how you would assist the Issuing Office to ensure a smooth implementation for both employers, participants and the Issuing Office staff.
35. Implementing Act 5 of 2017 requires changes to the Issuing Office's existing pension administration system to interface with the plan. What has been your experience coordinating (including the development of requirements, and system design, development, and testing) these changes in previous engagements? How do you propose to coordinate changes for this engagement?

36. What process do you envision using to determine/finalize which functions should be done by the Issuing Office and which should be done by you?
37. There are rules regarding compensation, leaves of absence, employment status, eligibility for distributions/benefit payments, return to service, etc., that are applicable and must be administered consistently to members and participants (the majority of which will in fact may be the same individual). How do you envision these functions being administered and coordinated?
38. Does your company currently have adequate internal staffing to support the proposed contracted services, or will you look to expand the team or bring in additional resources? Please identify what team members, if any, will be 100% dedicated to this implementation.
39. As part of the implementation process, please describe your plan to help the Issuing Office develop and implement a custom brand that will accurately promote the DC Plan and identify the Issuing Office as an accessible, comprehensive, and easy-to-use resource for retirement information, education, and tools.
40. How would you propose communicating to new participants first eligible on or after July 1, 2019? What communication strategies have you used to onboard clients similar to the Issuing Office? What methods of communication have worked well and what issues or challenges have you seen arise? Please also describe how the company would propose to communicate the DC Plan to existing members of the System (the defined benefit plan) who will have a 90-day period to elect to move to a new class created by Act 5. Please include sample materials with your proposal.
41. Describe how the company proposes to work with the Issuing Office to communicate the specific requirements and overall implementation aspects of the DC Plan to employers and other third parties, such as payroll and/or software providers, who are responsible for making required changes to the systems? Please describe how you would ensure that employers are comfortable with their responsibilities and understand the operational processes required to implement and meet ongoing obligations. What methods of communication have worked well and what issues or challenges have you seen arise?
42. Can you develop and maintain throughout the life of the contract a formal Administrative Manual to properly document all processes (both manual and automatic), procedures, roles and responsibilities of the Issuing Office relating to the DC Plan? Can you develop a separate manual to be used by employers? Please describe your experience in working with clients to develop such manuals and how you would ensure the documents remain up-to-date.
43. Please confirm that you will be able to work with the Issuing Office to provide both internal staff and employer training on all aspects of the recordkeeping system, including training on the systems and remittance processes.

B. Client Servicing Team

44. Name the person who will be the Implementation Manager responsible for managing all aspects of the implementation and coordinating both with the Issuing Office and with the TPA's staff.

- a. Provide the resume for this individual including his/her qualifications, any licenses, experience, and number of years with your company, and current primary work location.
- b. Describe the duties and responsibilities that this person will have.
- c. Provide the number of current client relationships he/she is responsible for, number of plan participants, and length of the relationships.
- d. Describe the percentage of time this individual will expect to dedicate to the implementation of the DC Plan as described in Act 5 during the first year, and each year of the contract thereafter should there be additional projects/services implemented.

45. Please describe the team members who will provide service to the Issuing Office relationship during the transition and on-going. For each such identified individual, please provide a biography, experience working with governmental defined contribution plans, the number of clients serviced, and the amount of time allocated to the Issuing Office relationship.

Please also briefly describe the process by which these team members interrelate, communicate and coordinate their respective functions. For team members who will service multiple clients, please describe how the company ensures that all client work is transacted each day and that all client needs have been met.

- a. Relationship Manager
- b. Plan Manager
- c. Field Service Representative(s)
- d. Additional Resources

46. The Issuing Office expects to work closely with the assigned team of individuals throughout the implementation and during the contract period. Please describe why the team you have assembled is the best suited to work with the Issuing Office, employers and participants.

47. Please discuss the compensation and incentive strategy for the individuals assigned to the Issuing Office. Indicate whether any of your employees who will work on the DC Plan receives incentive compensation (such as commissions, bonuses or other increased compensation). For each type of employee, indicate the basis under which this incentive compensation is paid.

48. The TPA may be asked to provide an individual who will work onsite at the Issuing Office's headquarters during the implementation period and for up to 60 days following the

Operational Date. This position will be responsible for acting as a liaison between the Issuing Office and the TPA, facilitating meetings, attending onsite work sessions and working with the Transition Manager to ensure a smooth implementation. If elected, please describe how you anticipate this person will work with the Issuing Office staff during this period.

C. TPA Staff Training and Continuing Education

49. How will your customer service center representatives be trained on the implementation of the DC Plan described in Act 5 and to respond quickly and efficiently to the questions that existing members and new hires will ask? Please describe this training.
50. As described in the Scope of Services, the Issuing Office expects customer service representatives to be cross-trained to provide high-level information on the defined benefit portion of the participant's benefits accrued under the System. Please describe this training as well as how you would plan to provide a warm transfer to the Issuing Office's call center staff for questions on the DB benefit.
51. What is your company's policy for initial and ongoing training and licensing of client service and call-center personnel? Include a description of your required licensing and education program.
52. Does your company have a continuous education program in place for your client service personnel to stay current with changes in the law both at the federal and state level, changes in regulations, changes in technology or changes in investments? Please describe.

D. Operations and System Capabilities

53. Provide a technical reference model of the system you use in recordkeeping and to administer defined contribution plans. Related to the technical reference model, how many years have you been using the system and how often are these systems upgraded? What was the date of the last major upgrade? What was the upgrade, and did it disrupt client services at any point? If so, how and what was learned to prevent a similar issue from occurring in the future?
54. Describe how your hardware and software environments are kept in compliance with laws, regulations, industry best practices, and new technologies.
55. If applicable, will your system allow data transmissions for participant defined benefit information to be incorporated into an annual statement?
56. Describe your change control process for implementing system enhancements.
57. Describe the operational, administrative and workflow documentation that will be developed in support of the operation of the DC Plan.

58. Describe all controls taken to ensure the timeliness of recordkeeping; that each participant's account complies with all provisions of the Issuing Office and government regulations; and that to the degree required, all forms and authorizations are complete and on file. Describe the valuation methods used by your system.
59. Describe the method of maintaining plan sponsor and participant history and records on the system and ensuring the integrity of the data. How do you propose to store and retrieve these records (e.g. by hard copy, electronic media)?
60. Do you provide participants with the option to receive vendor communications (statements, confirmations, communications, etc.) either by mail or online? If yes, can each participant make the selection? Can a participant receive information via text? If not, do you see this as an option in the future?
61. Please confirm that your company will work with the Issuing Office, employers and payroll providers to develop the needed file feeds prior to the implementation and continue making improvements as needed during the remaining contract term.
62. The Issuing Office desires to make the experience for hybrid members and DC participants as integrated and seamless as possible. Please confirm that your company will work with the Issuing Office to determine and implement the best methods for sharing key data (address and other demographic changes) and/or notifications (notice of death, pending divorce, etc.) between systems to reduce the need for hybrid members to make changes in both systems, and eliminate duplication of services relevant to each system (automated death matches, addresses verifications, etc.).
63. Each participating employer (public schools who participate in the DC Plan and the System) will interface directly with the selected TPA to upload participant data files and will also directly remit participant contributions and employer contributions to the TPA using the TPA's preferred financial services/banking provider. Describe how the TPA will receive contribution payments from the employer.
 - a. Describe your typical process for cash and data flow. What are your typical frequencies of data file submissions and contribution remittances for participants and employers?
 - b. What hardware, systems, formats are presently in place for electronic receipt and upload of information from clients? Describe how you propose data would be transmitted to and from the Issuing Office. Describe how the TPA will receive contribution payments from the employer.
 - c. What is your process for rejected ACH transactions.
 - d. What types of validation checks do you have in place for uploaded employer contribution files?
 - e. Please describe the reconciliation process. Would you work directly with the employers or through the Issuing Office to resolve discrepancies? Will you be able to ensure that you received the correct contributions for each participant if provided eligible compensation data?

- f. How will you plan to notify the Issuing Office of employers who have not remitted contributions or data on a timely basis.
 - g. How will delinquent employers be tracked?
 - h. Do you have any collection and reporting processes in place for delinquencies?
64. Explain how errors are handled through your recordkeeping system, including data transmission errors, for:
- a. Enrollment
 - b. Contributions
 - c. Withdrawals/Distributions (both over and under-payments)
 - d. Transfers
 - e. Rollovers
 - f. Allocation of earnings
 - g. Tax reporting
65. What is your process for reconciling stale-dated checks?
66. Describe your experience in handling part-time employees who become eligible for the DC Plan and must be entered as of a retroactive date. How would you work with the Issuing Office to identify these participants and ensure they receive the appropriate allocations?
67. Describe your recordkeeping capabilities for after-tax contributions. What is your experience in processing changes in the amount of after-tax contributions? What is the typical frequency?
68. Please describe your ability to track vesting for each participant. Generally, a participant vests after obtaining three eligibility points. Please note, each eligibility point is earned the first day money enters the DC Plan in a school year (July 1 – June 30).
69. Describe your ability to track participants receiving distributions (a participant who has commenced receiving distributions from the participant's individual investment account, but who has not received a total distribution of the vested interest in the individual investment account).
70. Describe your recordkeeping capabilities with regard to a forfeiture account for each participating employer where a forfeiture arises if a participant does not obtain the three eligibility points required to vest in employer mandatory contributions.
71. As described in this RFP, new employees will be automatically defaulted into Class T-G and will have 90 days from notice of eligibility to elect either Class T-H or Class DC. If a participant makes an election to move to another class, employee contribution rates and employer contribution rates will need to be adjusted such that the participant's contributions are accurate, retroactively to the first day of hire. Please describe your experience working with other systems that have an election period. Please explain how

you intend to work with the Issuing Office and employers to make any adjustments. Note that there is not a requirement to adjust contributions for earnings as part of this process.

72. Please confirm that the company has the ability to and is willing to prepare and mail Forms 1099-R and transmit to the IRS. Describe your ability to send 1099-Rs to all participants electronically. Electronically transmitted SSNs are protected information. Please indicate what safeguards are in place to ensure this information is not able to be accessed by unauthorized users.

III. Issuing Office's Expectations

A. Standard Reporting

73. Confirm you are able to accommodate the reports requested by the Issuing Office as outlined in **Appendix M**.
74. To what extent can these proposed reports be customized? Confirm your ability to provide ad-hoc reporting and describe the limitations, if any, of what the Issuing Office can request. What is the process for developing customized report formats and delivery mechanisms customized to client requests?
75. What are the timelines for generating and delivering reports by hard copy? By electronic delivery? Include your organization's average response time for a client to receive standard reports and special reports.
76. Describe the reports that the Issuing Office will receive relating to call volumes, response times, abandoned calls, number of transactions, etc.

B. Administrative and Compliance Support

77. Describe how the company handles audit documentation with regard to paperless processing.
78. Indicate what legal support you provide internally to administer the DC Plan in compliance with applicable laws and regulations. Indicate how you will review and inform the Issuing Office of changes in the law and current legislation potentially affecting the DC Plan.
79. During legislative sessions, there may be requests for the financial and administrative impacts of proposed plan modifications that are being considered by the legislature. Describe your experience in working with public sector clients in addressing legislative requests for information during session and your ability to meet the immediate timeframes that usually accompany these requests.
80. Please confirm your ability to have a member of the team available for the appeals processes described in the **Appendix J - Scope of Services**?

81. Can you work with the Issuing Office to provide an ERISA Section 404(a)(5)-type fee disclosure to ensure the transparency of fees for participants?
82. Describe in detail how your company will test the DC Plan for compliance with IRC Section 415(c) and IRC Section 401(a)(17), including when testing will occur, how testing results will be reported to the Issuing Office, and what procedures will be used to correct non-compliance.
83. Describe in detail how your company will administer the DC Plan in compliance with IRC Section 401(a)(9)
84. How do you keep plan sponsors informed and updated on regulatory and legislative changes affecting 401(a) plans?
85. What fiduciary responsibility does your company assume?
86. Describe in detail how you process direct rollovers from the DC Plan and the procedures used to process direct rollovers into the DC Plan, including what safeguards are applied to be comfortable that the amount being rolled over is permitted under the IRC and constitutes an eligible rollover distribution.
87. Describe how you monitor and communicate the age 70 ½ Required Minimum Distribution (RMD) requirements? Does your RMD process include automatic distribution of the minimum required amount if participants do not respond to your notifications, or do you require action by the Issuing Office?

C. Online Systems

88. Describe the account services and transaction capabilities available through your participant website.
89. Explain how internet passwords and usernames are assigned.
90. How is an online transaction or change in account made by a participant confirmed?
91. What are routine maintenance periods for your website? Provide statistics for the last twelve (12) months on down time other than routine system maintenance.
92. Describe the organization responsible for maintaining and supporting your online systems. Are these functions performed in-house, or are they sub-contracted?
93. What is your typical release schedule for application upgrades, and how are changes communicated to clients? How are enhancement requests made by clients?
94. What access is provided to the Issuing Office via the website, i.e. transactional or informational services? Does the Issuing Office have the ability to run ad hoc reports via

this website? What access is available to participating employers? Describe any transactional capabilities for employers via the website.

95. What are your customer support capacities to respond to and troubleshoot participant technical difficulties?
96. Are there any improvements to your Internet/web capabilities expected to occur in the next three years? If so, please describe.

D. Customer Service and Issue Resolution

97. Does your company conduct client specific surveys to measure satisfaction with its administrative services? If so, how frequently do these occur? Please provide the results of your most recently completed client survey.
98. How does your company plan to measure and evaluate the satisfaction of participants, employers and the Issuing Office? How does your company intend to report the results of such measurement to the Issuing Office?
99. Describe in detail the quality control system and quality improvement system you have in place.

E. Thought Leadership and Innovation

100. What differentiates you from your competitors? Identify any leading-edge products or services available from your company that would not be available from other firms.
101. Identify plans for developing additional products or services over the next three years.
102. How do you incorporate the thoughts/perspectives of clients as you are developing new technologies? Do you survey clients or offer advisory councils?

IV. Participant Expectations

A. Micro-site/Website

103. Describe the vision behind your web design as well as the attributes of the site that may be customized for the program, such as layout, colors, images, and materials. Please note that the Issuing Office expects the website to be fully branded to the DC Plan and flexible enough to be updated regularly. Confirm your ability to accommodate. How do you envision the relationship (navigations, functions, etc.) between the Issuing Office's website and your website?
104. What communication and investment materials are offered on the participant micro-site? Will these differ from materials available once a participant logs into his/her account?

What will be the differences of the micro-site between the implementation and ongoing phases?

105. Describe any other tools and services available to participants through your micro-site such as calculators and financial modeling tools.
106. Can you work with the Issuing Office to produce instructional and educational videos that can be posted on the micro-site or on the Issuing Office's website? Please describe your role in developing the material and executing the video?
107. Describe how your website supports online enrollment. Identify and provide access to sample enrollment instructions prior to any log-in to the system or provide access that you propose to give to a new employee desiring to enroll online for the first time. If new participant data cannot be provided in advance of enrollment, describe your solution to allowing online participant enrollment without delay.
108. Describe any other materials or technology you have available (smart phone apps, videos, etc.) that can be provided to engage and assist participants in enrolling in the plan and understanding their benefits.

B. Participant Statements

109. Attach a copy of the quarterly statement you intend to prepare for the Issuing Office.
110. What statement content may be selected or de-selected by the Issuing Office? Describe your capabilities to incorporate retirement income projections on the quarterly participant statement. Please outline any additional abilities to customize.
111. How do you prefer to coordinate returned mail (including statements and checks)? What steps would you recommend to ensure customer addresses are kept up-to-date? Explain.
112. Describe your process and procedures, include the specific data or documents maintained, in tracking statements, notices, and any other mailings sent to participants.

C. Customer Call Center and Voice Response Unit

113. Identify in detail your call center standards.
114. Provide statistics related to actual performance for the last three calendar years:
 - a. Number of calls received
 - b. Percentage of calls answered
 - c. Average length of calls
 - d. Average response time
 - e. Percentage of calls requiring follow-up
 - f. Call abort rate

115. Where is your customer call center located? Will your recordkeeping and administrative services also be processed at this location? If not, where will these services be provided?
116. How many customer service representatives does your company currently employ? How many do you anticipate will be taking calls from members/participants? Does the company anticipate establishing a separate call center queue?
117. How do you serve non-English speaking participants? How do you serve hearing impaired participants?
118. What licenses or certifications are the customer service representatives required to have?
119. What days/hours will customer service representatives be available?
120. How many calls is your telephone system equipped to handle simultaneously?
121. Describe your customer service staffing plan to deal with peak volume, e.g. after the issuance of participant statements.
122. Describe the types of transactions your operators are permitted to accept from participants. Do operators have direct access to the recordkeeping system? If a participant exits your voice response system with a problem, can operators monitor the progress of the attempted transaction?
123. What security procedures do you use at your customer service center to authorize transactions that the participant makes over the phone?
124. Do you monitor and record participant phone calls? Describe the oversight and monitoring activities your company conducts to ensure that the service provided by your representatives meets quality standards. Are you willing to periodically provide sample calls for review by the Issuing Office?
125. Will representatives at the customer service center be able to offer additional support to participants such as answering questions regarding investment options and contributing toward retirement goals?
126. Describe how participant questions that could not be answered at the customer service center will be handled or directed.
127. Will participants have access to a Voice Response System (VRS) that will allow them automated access to their account information and ability to make changes?
128. What security procedures do you use to authorize transactions the participant makes using the VRS?

129. Will you provide customization for the VRS? If yes, briefly describe the level of customization available.

V. Participant and Employer Education: Custom Communication and Education Capabilities and Onsite Representatives

A. Participant Communication and Education

130. Briefly describe your background and experience in providing communication and education programs.

131. Fully describe your proposal for developing a customized communication and education campaign encompassing both the defined benefit accrual and the account balance elements as needed for Class T-G and Class T-H that will result in effective and professional investment and plan education for participants. Please describe how you plan to reach participants via various mediums (web, email, print, video, etc.).

132. Please describe how you would plan to develop communications to explain the different class options and providing guidance on making an appropriate selection based on each school employee's unique participant's unique needs within 90 days of notice of eligibility. Please provide sample materials as part of your response.

133. Please describe your experience using live and recorded webinars and short videos to communicate/educate participants about their benefits.

134. Based on the information provided in the Request for Proposal, how many individuals would you propose should conduct one-on-one and group meetings. Describe the levels of experience, education, and any licenses or certifications they will have. Will these individuals be 100% devoted to the Issuing Office? Do you plan to leverage existing representatives within the firm or to hire representatives? If you are planning to hire, please provide an overview of the time requirements for the hiring and training process. Please note, you will be asked to price the cost of each representative separately from the cost of your recordkeeping and administrative services in the cost proposal. Also, please describe how you will coordinate these efforts with the Issuing Office.

a. How frequently do you plan to provide access to group and one-on-one meetings to members/participants at their places of employment throughout the Commonwealth?

b. How will field staff be deployed across the Commonwealth? How would the company expect to work with employers to schedule and conduct meetings? Please note that the TPA can utilize the Issuing Office's seven existing regional offices to host and conduct meetings for participants.

c. What type of approach would you take to providing group and one-on-one meetings in the schools to accommodate public school employees' schedules? Can you provide

onsite education to accommodate those employees who work evening and night shifts?

- d. Describe a typical one-on-one consultation that offered to a participant. How would your representatives respond to questions regarding the investment options, what information would be provided, and what approach would the representative take toward making suggestions or providing guidance? Describe how your representatives will ensure that inquiries are appropriately directed to another party if needed.
 - e. What types of meeting topics are available for participants? Please refer to **Appendix J - Scope of Services**, Section III. Communication and Education for additional details regarding the Issuing Office's expectations.
 - f. Do you have the ability to offer an online scheduling tool to enable participants to sign up for one-on-one meetings or group education sessions?
 - g. Please confirm that your company and its representatives will not engage in cross-selling of products and services.
135. Do you provide the following elements as part of a standard communication and financial education program?
- a. **Interactive Calculators.** Calculators that participants can use for tasks such as: determining shortfalls in retirement savings, determining how long savings will last in retirement, planning for college, estimating net worth, budgeting to save.
 - i. What types of information do your calculators take into account?
 - ii. Do you have the capability to import and incorporate data from the DB benefit into your calculators?
 - iii. What types of predictive functions do your calculators provide?
 - iv. Do your calculators allow participants to compare multiple scenarios taking into account factors such as different retirement ages, salaries, contributions to savings, and changing expenses?
 - v. What types of interactive tutorials are provided to assist participants in using the calculators to test different scenarios and understand the impact of each?
 - b. **Mass Distribution of Educational Material and Targeted Mailings.**
 - i. Describe your ability to provide targeted communications developed using data mining that provide pertinent and actionable messaging at various stages of the participant's employment lifecycle.
136. What criteria are used to evaluate the effectiveness or success of a particular education or plan marketing campaign?

137. Do you create all of your communication and education material in-house, through third parties, or a combination?
138. Who would be the primary contact regarding marketing and how would this person work with the Issuing Office to ensure the appropriate messaging is communicated to participants?
139. Describe how you intend to ensure that the Issuing Office is actively involved in the development of the initial communications and future materials. Describe how you would propose to incorporate the Issuing Office's input without delaying the development and production of materials and what turnaround and similar requirements you would impose.
140. Please confirm that you will be able to work with the Issuing Office to conduct joint new member meeting and/or exit/retirement meetings.

B. Employer Education

141. Please describe your plan to work with the Issuing Office to develop communications, tools and other resources that can be provided to employers to assist in their understanding of the plan and responsibilities. Please describe your experience working with other clients with multiple employers.
142. Please provide an overview of your ability to participate in periodic webinars or conference calls to provide employers with training on the systems and remittance processes. Please share any experience you have working with other clients to train employers on your systems.

VI. Investment Services

A. Investment Flexibility

143. Describe your company's experience in coordinating on a daily basis with a variety of investment companies and investment products (mutual funds, collective investment trusts, separate accounts). Indicate whether there are any investment companies with which your company cannot work.
144. Can you perform recordkeeping for fixed annuity (general account) products or stable value (separate account) products managed by other companies? Please provide a listing of the investments that could be offered on your platform and explain any limitations/restrictions.
145. Please describe the process to replace one or more funds in the investment line-up during the contract period. Identify the notice period your firm would need to replace a fund and any associated fees.

146. Provide recommendations for participant communications and a strategy to reduce participant concerns or complaints during fund changes. Will your company send letters to participants?

B. Annuity Payout Option

147. Act 5 requires that the DC Plan offer an annuity payout option for participants to purchase upon retirement. Please propose your plan to offer an annuity payout option or to partner with another firm to offer an annuity payout option. Ideally, this product will provide for an interest rate of at least 2.50% to the extent commercially available.

Provide the following product details:

- a. Please specify the product or products that you are proposing to the Issuing Office.
- b. Please describe the history of this product, including how long it has been offered to institutional clients.
- c. If you are proposing to contract with another firm to provide this annuity option, please indicate how you plan to interface with the firm and assist participants with the purchasing of an annuity.
- d. Please provide a sample contract for the Issuing Office to review.
- e. Will you provide a web-based annuity benefit calculator so that participants can model different scenarios?
- f. What is the lowest amount that a participant can elect to annuitize through the product?
- g. Please provide ratings from all major ratings agencies.
- h. For the annuity option you are proposing please provide the actual and guaranteed purchase rates per \$1,000 for the following payment options on December 31, 2015, 2016, and 2017. Provide purchase rates for a participant age 55, 57, 60, 62, and 65. For joint and survivor payment options assume that the spouse is the same age. Unisex rates are required.
 - i. Life only
 - ii. Life and 10 years certain
 - iii. 50 percent joint and survivor
 - iv. 100 percent joint and survivor
- i. Please provide detail on any fees associated with the annuity product. It is anticipated that few if any explicit fees will be charged, and that the annuity sales

will provide the revenues to the selected annuity provider. If there any additional fees, please describe them in complete detail.

- j. For the annuity purchase rates listed above, list the commissions, if any, your firm receives. Note that your firm must fully disclose all commissions paid for annuities purchased under the plan.
148. Please provide your ability to partner with an annuity provider that is selected by the Issuing Office in a process outside of this Request for Proposal. Please describe in detail any restrictions or limitations in coordinating with another firm to offer an annuity payout option?
149. Please describe your ability to accommodate an adjustment to the annuity payout provider should the Issuing Office elect to replace the selected provider during the contract term.

C. Alternative Investment Products/Structures

It is the intent of the Issuing Office to consider the benefits of offering participants alternative investment structures or products once the DC Plan reaches adequate scale. Please answer the following questions assuming the Issuing Office moves forward in this direction prior to the completion of the contract.

150. Do you have recordkeeping experience for a custom unitized version of a pension plan? If so, please define the process, including data needs and administrative logistics.
151. Provide your recordkeeping experience for custom target date portfolios. For how many clients have you designed them? Who is the team that works with clients to design them? How does the team interface with the team that manages the off-the-shelf offering, if you have one?
152. Describe your ability to accommodate customized, static-allocation, “white label portfolios” maintained at and rebalanced to target allocation weights. Include your ability to rebalance at specific intervals.

D. Third-Party Financial Institution Services

153. The Issuing Office intends to contract with a third-party financial institution to provide trade / settlement processing, custody, daily valuation, performance reporting related to the assets and transactions associated with the DC Plan. Please provide an overview of your preferred third-party financial institution and outline your experience in coordinating your recordkeeping and administrative services with a third-party financial institution holding the plan assets.

154. What agreements or other arrangements will be necessary with the third-party financial institution or the Issuing Office to provide necessary coordination between your recordkeeping and administrative services and the services of the financial services organization? Please provide a sample contract that could be used to contract with your preferred third-party financial institution.
155. How long have you had a relationship with your preferred third-party financial institution? When does this relationship/contract end with your third-party financial institution?
156. Have standard payment authorization interfaces been built for specific your preferred third-party financial institution? What processes do you have in place to provide distribution payment check-cutting services for monthly retirement payments?
157. Do you anticipate that the third-party financial institution will process individual federal and state tax withholding? If not, how will that be handled?
158. Do you anticipate that the third-party financial institution will provide information to participants regarding options on distributions? If not, how will that be handled?
159. How do you anticipate updating participants' accounts on your recordkeeping system? Please explain your daily updating process.

**APPENDIX L
DC PLAN PROJECTIONS
School Employees' Defined Contribution Plan**

Projection of Participation, Contributions and Accumulated Investment Accounts through June 30, 2028

The projection assumes the following: Act 5 School Employees' Defined Contribution Plan election percentages: 80% Class T-G, 5% Class T-H and 15% DC Only participation.
The projection is based on the demographic assumptions used for the PSERS June 30, 2017 actuarial valuation.

Fiscal Year Ending June 30	DC New Participants ¹				DC Participant Expected Terminations (Based on DB plan decrements) ²				DC Active Participant Count				DC Active Participant Payroll (\$Thousands)				DC New Participants Payroll (\$Thousands)				DC Participant Contribution (\$Thousands)			DC Employer Contribution (\$Thousands)			DC Participant Investment Account Assuming 6.00% Annual Return (\$Thousands) ³					
	Class TG	Class TH	Class DC Only Participants	Total	Class TG	Class TH	Class DC Only Participants	Total ⁴	Class TG	Class TH	Class DC Only Participants	Total DC Active Participant Count	Class TG	Class TH	Class DC Only Participants	Total DC Active Participant Payroll	Class TG	Class TH	Class DC Only Participants	Total DC New Participant Payroll	Class TG (Rate = 2.75%)	Class TH (Rate = 3.00%)	Class DC Only Participants (Rate = 7.50%)	Total DC Participant Contributions	Class TG (Rate = 2.25%)	Class TH (Rate = 2.00%)	Class DC Only Participants (Rate = 2.00%)	Total DC Employer Contributions	Class TG	Class TH	Class DC Only Participants	Total Assets
2020	18,215	1,139	3,416	22,770	-	-	-	18,215	1,139	3,416	22,770	\$ 493,859	\$ 30,866	\$ 92,599	\$ 617,324	\$ 493,859	\$ 30,866	\$ 92,599	\$ 617,324	\$ 9,903	\$ 675	\$ 5,064	\$ 15,642	\$ 8,102	\$ 450	\$ 1,350	\$ 9,903	\$ 18,416	\$ 1,151	\$ 6,561	\$ 26,128	
2021	18,244	1,139	3,420	22,803	2,772	173	520	3,465	33,687	2,105	6,316	42,108	956,528	59,783	179,349	1,195,660	509,405	31,838	95,513	636,756	22,511	1,535	11,511	35,556	18,418	1,023	3,070	22,511	61,534	3,846	21,921	87,301
2022	18,297	1,144	3,431	22,872	4,787	299	898	5,984	47,197	2,950	8,849	58,996	1,402,210	87,638	262,914	1,752,762	526,275	32,892	98,676	657,843	34,641	2,362	17,714	54,717	28,343	1,575	4,724	34,641	129,942	8,121	46,292	184,355
2023	18,899	1,181	3,544	23,624	6,535	408	1,225	8,168	59,561	3,723	11,168	74,452	1,848,464	115,529	346,587	2,310,580	559,885	34,993	104,979	699,857	46,663	3,182	23,862	73,706	38,179	2,121	6,363	46,663	224,950	14,059	80,139	319,148
2024	19,558	1,222	3,667	24,447	8,130	508	1,524	10,162	70,989	4,437	13,311	88,737	2,297,973	143,623	430,870	2,872,467	596,772	37,298	111,895	745,965	58,750	4,006	30,042	92,798	48,068	2,670	8,011	58,750	348,276	21,767	124,073	494,116
2025	19,622	1,226	3,678	24,526	9,672	604	1,815	12,089	80,959	5,059	15,176	101,174	2,731,654	170,728	512,183	3,414,568	616,662	38,541	115,624	770,827	70,528	4,809	36,065	111,402	57,704	3,206	9,617	70,528	501,043	31,215	178,497	710,855
2026	19,875	1,242	3,727	24,844	11,015	689	2,066	13,770	89,799	5,612	16,837	112,248	3,157,232	197,327	591,981	3,946,540	643,397	40,212	120,637	804,246	82,032	5,593	41,948	129,573	67,117	3,729	11,186	82,032	684,506	42,782	243,855	971,142
2027	19,996	1,250	3,750	24,996	11,734	733	2,200	14,667	98,061	6,129	18,387	122,577	3,592,947	224,559	673,678	4,491,184	666,753	41,672	125,016	833,441	93,840	6,398	47,986	148,225	76,778	4,265	12,796	93,840	901,074	56,317	321,008	1,278,399
2028	20,122	1,257	3,772	25,151	12,433	777	2,331	15,341	105,750	6,609	19,828	132,187	4,040,135	252,508	757,525	5,030,169	691,015	43,188	129,565	863,768	105,957	7,224	54,183	167,364	86,692	4,816	14,449	105,957	1,153,313	72,082	410,868	1,636,263

- Other Assumptions:
1. It is assumed that 75% of new participants are enrolled in the DC plan on September 1 and 25% are enrolled February 1 during each fiscal year.
2. This information represents the number of expected terminations (including deaths and disabilities) during the year. As noted, the expected number of terminations is based on the demographic assumptions used for the PSERS June 30, 2017 actuarial valuation.
3. This information represents the total of all anticipated DC Plan Investment Account accumulations assuming no withdrawals from any individual account.
4. There are no expected terminations assumed in Fiscal Year ending June 30, 2020

**APPENDIX M
MANAGEMENT REPORTS**

Monthly management reports are required for providing information to certain stakeholders. These reports should be provided by Class (Class T-G, Class T-H and Class DC). The following describes the reports required:

Management Reports		
Type	Information on Report	Frequency
Participation Report	<p>The total count of:</p> <ul style="list-style-type: none"> • # of Participants in each class • Class T-G transfers to Class T-H or Class DC • Total number of active, terminated and retired participants by class and gender • Total number of vested participants by class • Total number of participants voluntarily making after-tax contributions • Total number of participants with automatic cash-outs for small accounts, by type of cash-out (direct rollover or cash to participant) by class • Total number of fund transfers via method (VRS, Internet, Customer Service Representative, and form) <p>For all participants:</p> <ul style="list-style-type: none"> • Average age • Average years of participation in the plan • Average annual compensation by class and then by gender with each class • Total Annual Benefit Distribution by County (in PA) • Number of Employers and participants by Employer 	Quarterly

**APPENDIX M
FINANCIAL REPORTS**

Financial reports are required by the Issuing Office in order to provide information to stakeholders. These reports should be provided by class (Class T-G, Class T-H and Class DC). The following describes the reports required:

Financial Reports		
Type	Information on Report	Frequency
Cash Activity Report	The report includes by employer: <ul style="list-style-type: none"> • Employer contributions • Participant mandatory contributions • Participant after-tax contributions • Distributions by type (rollover, lump sum) • Adjustments to contributions • Rollover contributions 	Ad Hoc, Daily and Monthly
Trade Activity Report	<ul style="list-style-type: none"> • Detailed reconciliation of trade activity passing through the financial institution to the fund manager's funds and share balances. • Includes TPA's balance sheet, financial statements, and gain/loss reconciliations 	Monthly
Fee Invoices and Refunds	<ul style="list-style-type: none"> • Invoices and refunds by class with reports to support fee calculations associated with corrections 	Monthly and Annually
Stale Dated Checks	<ul style="list-style-type: none"> • Total number of stale dated checks • Stale dated checks itemized by Employer • Total number of ACH Rejects 	Quarterly and Annually Daily
Annuity Purchases	<ul style="list-style-type: none"> • Total number of annuity purchases by Employer • Dollar Amount of assets used to purchase annuities 	Quarterly and Annually

Financial Reports		
Type	Information on Report	Frequency
Employer Statements	<p>Employer Statements by Class by date and totals for each section below:</p> <ul style="list-style-type: none"> • Participant salary reported and adjustments • Participant mandatory contributions and adjustments • Participant voluntary after-tax contributions and adjustments • Non-vested employer contributions held by financial institution by employer for terminated participants • Employer earning penalty calculation for employer errors and delinquencies • May include other fields of uploaded information to TPA website 	Monthly
Audit	<ul style="list-style-type: none"> • Service Organization Controls Report (SOC) Type 2 • TPA's Audited Financial Statements • Security user access report and access levels 	<p>Annual</p> <p>Ad hoc</p>
Employer Delinquency Reporting	<p>The report includes by employer:</p> <ul style="list-style-type: none"> • Pay Cycle Date Missed • Payroll Manager • Date Contacted by TPA • Number of Days Delinquent • Date Paid • Penalty Calculation • Penalty Calculation Applied Date 	Daily
Tax Reporting	<ul style="list-style-type: none"> • Provide a timely reconciliation report of the Annual participant 1099-R forms to the annual disbursements and the Federal Form 945 • Provide a timely reconciliation of the annual participant 1042-S forms to the annual disbursements and the Federal Form 1042 	Annual

**APPENDIX N
ADMINISTRATIVE PROCESSES**

ADMINISTRATIVE SERVICE	DESCRIPTION	ANTICIPATED PROCESS
Enrollment Services	Enrollment in the DC Plan for all new hires. Distribution of 'Welcome Packet' providing details on the benefits.	Issuing Office will provide the TPA with a feed of relevant information on all new hires, prior to eligibility so an account can be set up.
Eligibility	Tracking eligibility for the DC Plan.	Issuing Office will retain. Issuing Office has all history and will handle all eligibility tracking. The TPA will be notified when a participant becomes eligible. The Issuing Office will send a 'Welcome Packet' to each member/participant containing election materials developed in conjunction with the TPA.
Election forms for existing members	Existing System members will have 90 days from notice of eligibility to select membership in Class T-G, Class T-H or Class DC	Issuing Office will accept elections from members and pass relevant information on to TPA.
Class election for new hires	All employees hired on or after July 1, 2019 will have 90 days from notification to select membership in Class T-G, or T-H, or participation in the DC plan only.	Issuing Office will accept elections from members and pass relevant information on to TPA.
Deferral Changes Services (after-tax contributions only)	Ability for participants to elect to defer after-tax contributions to the DC Plan	TPA accepts deferral changes online or via paper forms and reports back to Issuing Office/Employer the individual participant payroll deduction elections.
Beneficiary Designation Services	Collection and recordkeeping of beneficiary forms for participants	TBD. Issuing Office will determine if two separate forms are required to allow different beneficiary for DB vs DC portions.
Vesting Calculation Services	Tracking of eligibility points to determine service for vesting purposes.	TBD

Address and Name Changes	Processing of participant name and address changes.	Issuing Office will retain. If possible, Issuing Office will also give members option to update via TPA who will update Issuing Office keeping process streamlined for participants.
Rollover Verification Services	Verification that rollover contributions into the plan are qualified.	TPA will ensure money coming into plan is qualified.
Distributions	Approval and processing of distributions upon termination.	The TPA will handle this process. The Issuing Office will confirm participant is eligible for a distribution. TPA will process any distributions.
Termination Kit Services	TPA mails termination kits, containing distribution form and instructions, home to newly terminated employees.	N/A (Issuing Office does not want paper/electronic documents mailed after termination date received.)
DRO Services	Determination of whether the DRO is “qualified”	TBD. Issuing Office willing to outsource to TPA.
Notification of Death	Beneficiary provides notification of participant death. Paperwork and proof of death received. TPA moves account balance from participant to beneficiary and processes any requested withdrawal.	Issuing Office will continue existing death match process and will notify TPA of death. Issuing Office will expect immediate notification from TPA if alerted of member death. Issuing Office will continue contested death benefit and Slayer's Act research and notify TPA when the account is ok for distribution. TPA will move account balance and process requested withdrawal once paperwork received.
Required Minimum Distributions Services	Notification to participants who are age 70 ½ of required minimum distributions	TPA will coordinate with Issuing Office to provide reporting around participants who require a RMD. Both the TPA (for the DC Plan) and the Issuing Office (for the Pension only) will be sending notices.
Small Balance Cash Outs	Notices sent to terminated participants with balances below \$5,000. After wait period, participants are cashed out or rolled to an IRA	TBD. Discussion required regarding return of service issues, but anticipated to happen once per year.

APPENDIX O
INFORMATION SECURITY ADDENDUM

This Information Security Addendum (“Addendum”) made as of the Effective Date, by and between the Commonwealth of Pennsylvania, Public School Employees’ Retirement System (“PSERS”) and _____ (“Contractor”) sets forth additional terms and conditions with respect to information security applicable to _____ (“Agreement”). The terms and conditions agreed to in this Addendum are the minimum required for the Agreement and shall take precedence over any term of the Agreement which attempts to reduce, waive or remove these terms and conditions.

WHEREAS, PSERS wishes to disclose certain information to Contractor, and Contractor is authorized to collect and/or use certain information, pursuant to the terms of the Agreement; and

WHEREAS, PSERS and Contractor intend to protect the privacy and provide for the confidentiality of such information.

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and the mutual promises and undertakings hereinafter set forth, and the exchange of information pursuant to the Agreement and this Addendum, the parties agree as follows:

- I. Definitions.
 - A. Authorized Persons. Authorized Persons include Contractor’s employees and contractors who have appropriate PSERS’ clearance and a specific need for such access in order to perform Contractor’s services for PSERS.
 - B. Industry Standards. Industry Standards include National Institute of Standards and Technology (NIST) 800 Series, NIST Cybersecurity Framework and ISO 27001/2, or their generally recognized equivalents.
 - C. PSERS Data. PSERS Data is any data or information that Contractor creates, obtains, accesses, receives (from PSERS or on behalf of PSERS), hosts or uses in the course of its performance of the Agreement;
 - D. Public Data. Public Data means any specific information or data, regardless of form or format, that PSERS has actively and intentionally disclosed, disseminated, or made available to the public.
 - E. Multi-Factor Authentication. The use of two or more of the authentication methods listed below. Two-factor would employ one each of two of the three methods; three-factor would employ one each of all three methods.
 - Something you know (e.g. PIN, password, shared information)

- Something you possess (e.g. token, smart card, digital certificate)
- Something you are (biometrics – e.g. fingerprint, voice, iris, face).

F. Services. The services pursuant to the Agreement and any Statement of Work (“SOW”).

G. Documentation. All documentation related to the Services, including but not limited to the SOW.

H. PSERS’ Confidential Information. PSERS’ Data that is not Public Data, including but not limited to information containing personally identifiable information (“PII”) protected health information (“PHI”) and electronic protected health information (“ePHI”) as defined in HIPAA regulations, investment portfolio information and trade secrets. (For the avoidance of doubt, trade secrets include but are not limited to limited partnership agreements, side letters, private placement memoranda and similar information.)

II. Data Security.

A. Compliance. Contractor shall comply with the Information Technology (“IT”) standards and policies issued by the Governor’s Office of Administration, Office for Information Technology (OA/OIT) (located at: <http://www.oa.pa.gov/Policies/Pages/itp.aspx>), including the accessibility standards set out in IT Bulletin ACC001, IT Accessibility Policy. The Contractor shall ensure that Services procured under this Contract comply with the applicable standards. In the event such standards change during Contractor’s performance, and the Commonwealth requests that Contractor comply with the changed standard, then any incremental costs incurred by Contractor to comply with such changes shall be paid for pursuant to a change order to the Contract.

B. Data Protection. To the extent that Contractor is charged with creating, accessing, transmitting, maintaining, hosting or using PSERS’ Data under the Agreement, Contractor shall preserve the confidentiality, integrity and availability of PSERS’ Data by implementing and maintaining administrative, technical and physical controls that conform to Commonwealth of Pennsylvania IT Policies and Industry Standards. Implemented security controls shall provide a level of security which is commensurate with the sensitivity of the data to be protected.

C. Data Use and Access. Contractor shall use PSERS’ Data only and exclusively to support the performance of services for PSERS under the Agreement and not for any other purpose. With the exception of Public Data, absent PSERS’s prior written consent, Contractor shall not at any time during or after the term of the Agreement disclose PSERS’ Data to any person, other than Authorized Persons and PSERS personnel in connection with the performance of the services (except as required by law). If such disclosure is required by law, Contractor shall notify

PSERS prior to such disclosure, unless such notification is prohibited by law.

- D. Data Backup. Where appropriate to protect the integrity and availability of PSERS' Data, Contractor shall maintain (and cause any third-party hosting company that it uses to maintain) a means to backup and recover PSERS Data in the event that PSERS' Data is lost, corrupted or improperly destroyed. PSERS' shall have the right to establish backup security for PSERS Data and to keep backup PSERS' Data and PSERS'' Data files in its possession if it chooses.
- E. Return of PSERS Data. Contractor shall ensure that, upon request, PSERS can retrieve PSERS Data in the event the Contractor is unable to continue providing the services under the Agreement due to termination of the Agreement or otherwise. In the event of a termination and upon PSERS' request, the Contractor will provide PSERS' information in a mutually acceptable format.
- F. Destruction of PSERS Data. Contractor shall erase, destroy, and/or render unrecoverable all PSERS' Data in Contractor's possession that is no longer required for the performance of its duties under the Agreement. Upon request, Contractor shall certify in writing that these actions have been completed within seven (7) days of PSERS request.
- G. Effect of Termination. Unless directed otherwise by PSERS, upon termination of the Agreement for any reason, Contractor shall maintain PSERS' Data and continue to extend the protections of the Agreement and this Addendum to such information for a period of one year at which point it shall return and destroy all PSERS' Data received from PSERS (or created or received by Contractor on behalf of PSERS) regardless of form, and shall retain no copies of PSERS' Data. If return or destruction of PSERS' Data is not feasible, Contractor shall continue to extend the protections of the Agreement and this Addendum to such information and limit further use of PSERS' Data to those purposes that make the return or destruction of PSERS' Data infeasible.

III. Contractor Security.

- A. Information Security Program. For the term of the Agreement, Contractor agrees that it has and will maintain a formal information security program which is appropriate for the types of services that it provides. Such program is and will be consistent with Industry Standards.
- B. Contractor Personnel. Contractor agrees that it shall only use highly qualified personnel and contractors in performing the Agreement and, to the extent not prohibited by applicable law, shall require each to pass a background check.
- C. Acceptance of Acceptable Use Policy. Contractor shall ensure that all Contractor personnel, including employees and contractors, who access PSERS's network as a part of performing the Agreement, will agree to PSERS's Acceptable Use

Policy as found in Management Directive 205.34, as it may be amended from time to time.

- D. Multi-Factor Authentication. For services exposed to the Internet, where sensitive information is stored, processed or transmitted, Contractor will provide Multi-Factor Authentication for user authentication to the web application via workstation and mobile browsers. If the service is provided via mobile application as well, that application must also be protected by Multi-Factor Authentication.
 - E. Security Awareness Training. Contractor shall ensure its personnel and partners are provided cybersecurity awareness education and are adequately trained to perform their information security-related duties and responsibilities consistent with Commonwealth of Pennsylvania IT Policies.
- IV. Security Incident and Breach Notification.

A. Security Notification.

Contractor agrees to notify PSERS upon learning of, (i) unauthorized access, loss, alteration, theft or corruption of PSERS' Confidential Information (ii) any event that creates a substantial risk to the confidentiality, integrity or availability of PSERS' Data; (iii) a breach of any of Contractor's security obligations under this Addendum, or; (iv) any other event requiring notification under applicable law. In such an instance, Contractor agrees to:

- i. Take such action as may be necessary to preserve forensic evidence and eliminate the cause of the risk or breach within Contractor's reasonable control. As soon as practicable after discovery, Contractor shall undertake a thorough forensic investigation of any compromise or improper use and provide PSERS all information necessary to enable PSERS to fully understand the nature and extent of the compromise or improper use to the extent known.
- ii. And, notify PSERS by telephone at (____) ____-____ and (____) ____-____ and by e-mail at RA-PSISO@pa.gov regarding such an event without undue delay and in any event within 24 hours of discovery, and
- iii. To the extent that the breach or incident was the fault of Contractor:
 - a) assume the cost of informing all such affected individuals in accordance with applicable law, and
 - b) indemnify, hold harmless and defend PSERS and its trustees, officers, and employees from and against any claims, damages, or other harm related to such incident or breach.

B. Security Incident Investigations.

Contractor agrees to cooperate with PSERS in investigating a security incident, as declared by PSERS, and provide the name and contact information, of at least two (2) security contacts who will respond to PSERS in a timely manner, dependent on criticality, in the event that PSERS must investigate a security incident. The current security contacts are as follows:

Contact Names: _____
Phone Numbers: _____
Email Addresses: _____

V. Maintenance of Safeguards.

- A. Contractor shall maintain and follow Industry Standards with respect to any of PSERS's Confidential Information in Contractor's possession or control and protect such information against any loss, alteration, theft or corruption.
- B. At PSERS's request, Contractor shall provide PSERS with copies of its information security policies, processes, and procedures. Contractor will notify PSERS of any changes to its policies, processes or procedures that relate to the security of PSERS' Confidential Information in Contractor's possession.

VI. Information Security Audit.

- A. PSERS shall have the right to review Contractor's information security program prior to the commencement of Services and from time to time during the Term of the Agreement. During the performance of the Services, on an ongoing basis annually and immediately in the event of a security incident, PSERS, including its professional advisors and auditors, at its own expense, shall be entitled to perform, or to have performed, an on-site assessment of Contractor's information security program.
- B. PSERS shall have the right to review Contractor's information security program through Contractor's annual submission to PSERS of its current SOC2 report. The report must document an assessment conducted by a qualified, independent third party. Assessment scope must address the services provided to PSERS, including but not limited to related people, process and technology.
- C. Upon PSERS' request, Contractor agrees to complete, within forty-five (45 days) of receipt of PSERS' request, an assessment questionnaire provided by PSERS regarding Contractor's information security program, including artifacts for a subset of controls.

VII. Application Security.

In the event the Contractor conducts application software development for PSERS: Contractor will either make source code available for review by PSERS or will conduct source code scanning using a commercial security tool. Scans must be conducted annually and at any time significant code changes are made. Scan reports will be made available to PSERS within two weeks of execution. Contractor must disclose remediation timelines for high, medium and low risk security code defects. Scans must occur before code is implemented in production. High risk security code defects may not be implemented in production without formal approval from PSERS' Executive Director, Deputy Executive Director or Assistant Executive Director.

VIII. Compliance with Applicable State and Federal Law.

Contractor shall comply with all applicable federal, state, and local laws concerning data protection and privacy when handling PSERS' Data.

IX. Enforcing Compliance.

Contractor shall enforce and be responsible for compliance by all its personnel and contractors with the provisions of this Information Security Addendum and all other confidentiality obligations owed to PSERS.

X. Accommodation of Additional Protections.

Contractor agrees to comply with such additional protections as PSERS shall reasonably request.

XI. Termination.

A breach by Contractor of any provision of this Addendum, as reasonably determined by PSERS, shall constitute a material breach of the Agreement and shall provide grounds for immediate termination of the Agreement by PSERS pursuant to the Agreement.

XII. Indemnification.

Contractor shall indemnify, hold harmless and defend PSERS from and against all claims, losses, liabilities, damages, judgments, costs and other expenses, including PSERS's costs and attorney fees, incurred as a result of, or arising directly or indirectly out of or in connection with Contractor's failure to meet any of its security obligations under this Addendum; and (ii) any claims, demands, awards, judgments, actions and proceedings made by any person or organization arising out of or in any way connected with Contractor's performance under this Addendum. Limitations on Contractor's liability, regardless of conflicting language elsewhere in the Agreement,

shall not apply to claims related to Contractor's breach of the information security sections of this Addendum.

XIII. Intellectual Property Infringement Indemnification.

Contractor shall indemnify, defend and hold PSERS harmless from any and all claims brought against PSERS alleging that the Services and/or Documentation or PSERS's use of the Services and/or Documentation constitutes a misappropriation or infringement of intellectual property ("IP") of any Third Party. Contractor agrees to be responsible for all costs or expenses, to include reasonable attorneys' fees awarded or resulting from any claim. PSERS shall, after receiving notice of a claim, advise Contractor of such notification. Limitations on Contractor's liability, regardless of conflicting language elsewhere in any Agreement, shall not apply to claims related to Contractor's misappropriation or infringement of another's intellectual property.

XIV. Contractor Liability Insurance.

Contractor shall procure, and maintain for the duration of the contract, insurance against claims and damages which may arise from or in connection with the performance of its work to include IP infringement and privacy or data breaches coverage. Coverage shall have limits of no less than \$5,000,000.00 per occurrence and \$10,000,000.00 aggregate.

XV. Survival; Order of Precedence.

The provisions of this Addendum shall survive expiration or termination of the Agreement.

XVI. Entire Agreement.

The Agreement, including any exhibits and/or schedules thereto, and this Addendum contain the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and all other communications between the Parties relating to such subject matter.

APPENDIX P CURRENT REGIONAL OFFICES

Northwest

Pennwood Center
464 Allegheny Boulevard, Suite C
Franklin, PA 16323-6210
 Local: 1.814.437.9845
 FAX: 1.814.437.5826
Toll-Free: 1.888.773.7748 ext. 5175
 Donald Gregory, Administrator

Northcentral

300 Bellefonte Avenue, Suite 201
Lock Haven, PA 17745-1903
 Local: 1.570.893.4410
 FAX: 1.570.893.4414
Toll-Free: 1.888.773.7748 ext. 5275
 Jeremy Wible, Administrator

Northeast

417 Lackawanna Avenue, Suite 201
Scranton, PA 18503-2013
 Local: 1.570.614.0269
 FAX: 1.570.614.0278
Toll-Free: 1.888.773.7748 ext. 5375
 Sherry Sibio, Administrator



Southwest

300 Cedar Ridge Drive, Suite 301
Pittsburgh, PA 15205-1159
 Local: 1.412.920.2014
 FAX: 1.412.920.2015
Toll-Free: 1.888.773.7748 ext. 5775
 Russell Miller, Administrator

Centralwest

219 W. High Street
Ebensburg, PA 15931-1540
 Local: 1.814.419.1180
 FAX: 1.814.419.1189
Toll-Free: 1.888.773.7748 ext. 5875
 Brian Farester, Administrator

Southcentral

5 N 5th Street
Harrisburg, PA 17101-1905
 Local: 1.717.720.6335
 FAX: 1.717.783.9606
Toll-Free: 1.888.773.7748 ext. 6335
 John Tucker, Administrator

Southeast

605 Louis Drive, Suite 500
Warminster, PA 18974-2825
 Local: 1.215.443.3495
 FAX: 1.215.443.3487
Toll-Free: 1.888.773.7748 ext. 5575
 Joshua Catalfu, Administrator
 Linda Visco, Administrator

APPENDIX Q
PSERS PENSION SYSTEM INFORMATION

<http://www.psers.pa.gov/FPP/Publications/General/Pages/CAFR.aspx>