

	State of South Carolina Request for Proposal	Solicitation Number:	PEBA0022015
		Date Issued:	01/30/2015
		Procurement Officer:	Georgia Gillens, CPPO, CPPB
		Phone:	(803) 734-0010
		E-Mail Address:	GGillens@peba.sc.gov

DESCRIPTION: Provide Third Party Recordkeeping, Administration and Associated Services for the South Carolina Optional Retirement Program

USING GOVERNMENTAL UNIT: S.C. Public Employee Benefit Authority (PEBA)

The Term "Offer" Means Your "Bid" or "Proposal". Unless submitted on-line, your offer must be submitted in a sealed package. Solicitation Number & Opening Date must appear on package exterior. See "Submitting Your Offer" provision.

SUBMIT YOUR OFFER ON-LINE AT THE FOLLOWING URL: <http://www.procurement.sc.gov>

SUBMIT OFFER BY (Opening Date/Time): 03/02/2015 4:00 PM E.S.T. (See "Deadline For Submission Of Offer" provision)

QUESTIONS MUST BE RECEIVED BY: 02/09/2015 12:00 PM E.S.T. (See "Questions From Offerors" provision)

NUMBER OF COPIES TO BE SUBMITTED: See Page 3. If no redacted copy is being provided, initial here _____

CONFERENCE TYPE: DATE & TIME: <small>(As appropriate, see "Conferences - Pre-Bid/Proposal" & "Site Visit" provisions)</small>	LOCATION:
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AWARD & AMENDMENTS	Award will be posted on 03/27/2015 . The award, this solicitation, any amendments, and any related notices will be posted at the following web address: http://www.procurement.sc.gov
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Unless submitted on-line, you must submit a signed copy of this form with Your Offer. By submitting a bid or proposal, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of thirty (30) calendar days after the Opening Date. (See "Signing Your Offer" and "Electronic Signature" provisions.)

NAME OF OFFEROR <small>(full legal name of business submitting the offer)</small>		Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror. The entity named as the Offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, i.e., a separate corporation, partnership, sole proprietorship, etc.
AUTHORIZED SIGNATURE <small>(Person must be authorized to submit binding offer to contract on behalf of Offeror.)</small>		TAXPAYER IDENTIFICATION NO. <small>(See "Taxpayer Identification Number" provision)</small>
TITLE <small>(business title of person signing above)</small>		STATE VENDOR NO. <small>(Register to Obtain S.C. Vendor No. at www.procurement.sc.gov)</small>
PRINTED NAME <small>(printed name of person signing above)</small>	DATE SIGNED	STATE OF INCORPORATION <small>(If you are a corporation, identify the state of incorporation.)</small>

OFFEROR'S TYPE OF ENTITY: (Check one) <small>(See "Signing Your Offer" provision.)</small>		
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Other _____
<input type="checkbox"/> Corporate entity (not tax-exempt)	<input type="checkbox"/> Corporation (tax-exempt)	<input type="checkbox"/> Government entity (federal, state, or local)

PAGE TWO

(Return Page Two with Your Offer)

HOME OFFICE ADDRESS (Address for offeror's home office / principal place of business)	NOTICE ADDRESS (Address to which all procurement and contract related notices should be sent.) (See "Notice" clause)
	_____ Area Code - Number - Extension Facsimile _____ E- mail Address

PAYMENT ADDRESS (Address to which payments will be sent.) (See "Payment" clause)	ORDER ADDRESS (Address to which purchase orders will be sent) (See "Purchase Orders and "Contract Documents" clauses)
_____ Payment Address same as Home Office Address _____ Payment Address same as Notice Address (check only one)	_____ Order Address same as Home Office Address _____ Order Address same as Notice Address (check only one)

ACKNOWLEDGMENT OF AMENDMENTS
 Offerors acknowledges receipt of amendments by indicating amendment number and its date of issue. (See "Amendments to Solicitation" Provision)

Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date

DISCOUNT FOR PROMPT PAYMENT (See "Discount for Prompt Payment" clause)	10 Calendar Days (%)	20 Calendar Days (%)	30 Calendar Days (%)	_____ Calendar Days (%)
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PREFERENCES - A NOTICE TO VENDORS (SEP. 2009): On June 16, 2009, the South Carolina General Assembly rewrote the law governing preferences available to in-state vendors, vendors using in-state subcontractors, and vendors selling in-state or US end products. This law appears in Section 11-35-1524 of the South Carolina Code of Laws. A summary of the new preferences is available at www.procurement.sc.gov/preferences. ***ALL THE PREFERENCES MUST BE CLAIMED AND ARE APPLIED BY LINE ITEM, REGARDLESS OF WHETHER AWARD IS MADE BY ITEM OR LOT. VENDORS ARE CAUTIONED TO CAREFULLY REVIEW THE STATUTE BEFORE CLAIMING ANY PREFERENCES. THE REQUIREMENTS TO QUALIFY HAVE CHANGED. IF YOU REQUEST A PREFERENCE, YOU ARE CERTIFYING THAT YOUR OFFER QUALIFIES FOR THE PREFERENCE YOU'VE CLAIMED. IMPROPERLY REQUESTING A PREFERENCE CAN HAVE SERIOUS CONSEQUENCES.*** [11-35-1524(E)(4)&(6)] **PREFERENCES DO NOT APPLY.**

PREFERENCES - ADDRESS AND PHONE OF IN-STATE OFFICE: Please provide the address and phone number for your in-state office in the space provided below. An in-state office is necessary to claim either the Resident Vendor Preference (11-35-1524(C)(1)(i)&(ii)) or the Resident Contractor Preference (11-35-1524(C)(1)(iii)). Accordingly, you must provide this information to qualify for the preference. An in-state office is not required, but can be beneficial, if you are claiming the Resident Subcontractor Preference (11-35-1524(D)). **PREFERENCES DO NOT APPLY.**

_____ In-State Office Address same as Home Office Address
 _____ In-State Office Address same as Notice Address **(check only one)**

NUMBER OF COPIES

Offerors will need to follow these instructions carefully when responding to the solicitation.

1. The original solicitation response should be submitted to PEBA and is the official response. All bidders must attach all documents, including additional requested documents to their.

Please submit the following:

1. **One (1) original** marked "original" and **five (5) identical paper copies** of your Proposal.
2. **Five (5) labeled CDs** containing a copy of the Offeror's Proposal Response (in MS Word, MS Excel and/or PDF format where appropriate).
3. **One (1) CD labeled "original redacted"** containing a redacted version of your original Proposal.

All copies requested must be delivered no later than the date and time specified on the cover page of the solicitation to the following address:

S.C. Public Employee Benefit Authority
Attention: **Georgia Gillens, CPPO, CPPB**
Attention: PEBA0022015
S.C. Public Employee Benefit Authority
202 Arbor Lake Drive
Columbia, SC 29223

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I. SCOPE OF SOLICITATION

ACQUIRE SERVICES (JAN 2006)

The purpose of this solicitation is to acquire services complying with the enclosed description and/or specifications and conditions. [01-1010-1]

MAXIMUM CONTRACT PERIOD - ESTIMATED (Jan 2006)

Start date: 07/01/2015 End date: 06/30/2020. Dates provided are estimates only. Any resulting contract will begin on the date specified in the notice of award. See clause entitled "Term of Contract - Effective Date/Initial Contract Period". [01-1040-1]

INITIAL CONTRACT PERIOD

The initial contract term will commence on July 1, 2015 and expire 12:00 midnight June 30, 2018, unless extended for an additional period. The contract may be extended at the end of the initial contract period unless PEBA elects not to extend the contract. Extensions may be less than, but will not exceed, two (2) additional one (1) year periods.

It is the intent of the State of South Carolina, S.C. Public Employee Benefit Authority (PEBA), in accordance with all requirements stated herein or attached hereto, to solicit proposals from qualified firms to provide third party recordkeeping, administration, and associated services for the South Carolina Optional Retirement Program (Program).

The State is seeking four Contractors to provide the services outlined in this Request for Proposal in accordance with State of South Carolina statute. Contractors will be considered designated service providers as defined by the Program's Plan Document, and there are currently four designated service providers contracted to serve the Program.

SCHEDULE OF KEY DATES IN THE PROPOSAL PROCESS

All dates subject to change

1.	Distribution of the Request for Proposal	01/30/2015
2.	Final Deadline for Questions on the Request For Proposal	02/09/2015
3.	State's Written Responses to Questions (tentative)	02/11/2015
4.	Submission and Opening of Proposals (3:00 p.m.)	03/02/2015
5.	Intent to Award Posting Date (tentative)	03/27/2015
6.	Intent To Award Becomes Official (tentative)	04/07/2015
7.	Contract Performance	07/01/2015

II. INSTRUCTIONS TO OFFERORS - A. GENERAL INSTRUCTIONS

DEFINITIONS

EXCEPT AS OTHERWISE PROVIDED HEREIN, THE FOLLOWING DEFINITIONS ARE APPLICABLE TO ALL PARTS OF THE SOLICITATION.

AMENDMENT means a document issued to supplement the original solicitation document.

BOARD means the South Carolina Budget & Control Board.

BUYER means the Procurement Officer.

CHANGE ORDER means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual agreement of the parties to the contract.

CONTRACT See clause entitled Contract Documents & Order of Precedence.

CONTRACT MODIFICATION means a written order signed by the Procurement Officer, directing the contractor to make changes which the changes clause of the contract authorizes the Procurement Officer to order without the consent of the contractor.

CONTRACTOR means the Offeror receiving an award as a result of this solicitation.

COVER PAGE means the top page of the original solicitation on which the solicitation is identified by number. Offerors are cautioned that Amendments may modify information provided on the Cover Page.

OFFER means the bid or proposal submitted in response this solicitation. The terms Bid and Proposal are used interchangeably with the term Offer.

OFFEROR means the single legal entity submitting the offer. The term Bidder is used interchangeably with the term Offeror. See bidding provisions entitled Signing Your Offer and Bid/Proposal As Offer To Contract.

ORDERING ENTITY means the Using Governmental Unit that has submitted a Purchase Order.

PAGE TWO means the second page of the original solicitation, which is labeled Page Two.

PROCUREMENT OFFICER means the person, or his successor, identified as such on the Cover Page.

YOU and YOUR means Offeror.

SOLICITATION means this document, including all its parts, attachments, and any Amendments.

STATE means the Using Governmental Unit(s) identified on the Cover Page.

SUBCONTRACTOR means any person having a contract to perform work or render service to Contractor as a part of the Contractor's agreement arising from this solicitation.

USING GOVERNMENTAL UNIT means the unit(s) of government identified as such on the Cover Page. If the Cover Page names a Statewide Term Contract as the Using Governmental Unit, the Solicitation seeks to establish a Term Contract [11-35-310(35)] open for use by all South Carolina Public Procurement Units [11-35-4610(5)].

WORK means all labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations under the Contract.

[02-2A003-1]

AMENDMENTS TO SOLICITATION (JAN 2004)

- (a) The Solicitation may be amended at any time prior to opening. All actual and prospective Offerors should monitor the following web site for the issuance of Amendments: www.procurement.sc.gov (b) Offerors shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date in the space provided for this purpose on Page Two, (3) by letter, or (4) by submitting a bid that indicates in some way that the bidder received the amendment. (c) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged. [02-2A005-1]

AWARD NOTIFICATION (NOV 2007)

Notice regarding any award or cancellation of award will be posted at the location specified on the Cover Page. If the contract resulting from this Solicitation has a total or potential value of fifty thousand dollars or more, such notice will be sent to all Offerors responding to the Solicitation. Should the contract resulting from this Solicitation have a total or potential value of one hundred thousand dollars or more, such notice will be sent to all Offerors responding to the Solicitation and any award will not be effective until the eleventh day after such notice is given. [02-2A010-1]

BID/PROPOSAL AS OFFER TO CONTRACT (JAN 2004)

By submitting Your Bid or Proposal, You are offering to enter into a contract with the Using Governmental Unit(s). Without further action by either party, a binding contract shall result upon final award. Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror on the Cover Page. An Offer may be submitted by only one legal entity; "joint bids" are not allowed. [02-2A015-1]

BID ACCEPTANCE PERIOD (JAN 2004)

In order to withdraw Your Offer after the minimum period specified on the Cover Page, You must notify the Procurement Officer in writing. [02-2A020-1]

BID IN ENGLISH and DOLLARS (JAN 2004)

Offers submitted in response to this solicitation shall be in the English language and in US dollars, unless otherwise permitted by the Solicitation. [02-2A025-1]

CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (MAY 2008)

GIVING FALSE, MISLEADING, OR INCOMPLETE INFORMATION ON THIS CERTIFICATION MAY RENDER YOU SUBJECT TO PROSECUTION UNDER SECTION 16-9-10 OF THE SOUTH CAROLINA CODE OF LAWS AND OTHER APPLICABLE LAWS.

(a) By submitting an offer, the Offeror certifies that-

(1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Offeror or competitor relating to-

- (i) Those prices;
- (ii) The intention to submit an offer; or
- (iii) The methods or factors used to calculate the prices offered.

(2) The prices in this offer have not been and will not be knowingly disclosed by the Offeror, directly or indirectly, to any other Offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the Offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory-

(1) Is the person in the Offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this certification; or

(2)(i) Has been authorized, in writing, to act as agent for the Offeror's principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this certification [As used in this subdivision (b)(2)(i), the term "principals" means the person(s) in the Offeror's organization responsible for determining the prices offered in this bid or proposal];

(ii) As an authorized agent, does certify that the principals referenced in subdivision (b)(2)(i) of this certification have not participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification.

(c) If the Offeror deletes or modifies paragraph (a)(2) of this certification, the Offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure. [02-2A032-1]

CERTIFICATION REGARDING DEBARMENT AND OTHER RESPONSIBILITY MATTERS (JAN 2004)

(a) (1) By submitting an Offer, Offeror certifies, to the best of its knowledge and belief, that-

(i) Offeror and/or any of its Principals-

(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency;

(B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision.

(ii) Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any public (Federal, state, or local) entity.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

(b) Offeror shall provide immediate written notice to the Procurement Officer if, at any time prior to contract award, Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) If Offeror is unable to certify the representations stated in paragraphs (a)(1), Offeror must submit a written explanation regarding its inability to make the certification. The certification will be considered in connection with a review of the Offeror's responsibility. Failure of the Offeror to furnish additional information as requested by the Procurement Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly or in bad faith rendered an erroneous certification, in addition to other remedies available to the State, the Procurement Officer may terminate the contract resulting from this solicitation for default.

[02-2A035-1]

CODE OF LAWS AVAILABLE (JAN 2006)

The South Carolina Code of Laws, including the Consolidated Procurement Code, is available at:
<http://www.scstatehouse.gov/code/statmast.php>

The South Carolina Regulations are available at:
<http://www.scstatehouse.gov/coderegs/statmast.php>

[02-2A040-2]

COMPLETION OF FORMS/CORRECTION OF ERRORS (JAN 2006)

All prices and notations should be printed in ink or typewritten. Errors should be crossed out, corrections entered and initialed by the person signing the bid. Do not modify the solicitation document itself (including bid schedule). (Applicable only to offers submitted on paper.) [02-2A045-1]

DISCLOSURE OF CONFLICTS OF INTEREST OR UNFAIR COMPETITIVE ADVANTAGE (MAY 2011)

You warrant and represent that your offer identifies and explains any unfair competitive advantage you may have in competing for the proposed contract and any actual or potential conflicts of interest that may arise from your participation in this competition or your receipt of an award. The two underlying principles are (a) preventing the existence of conflicting roles that might bias a contractor's judgment, and (b) preventing an unfair competitive advantage. If you have an unfair competitive advantage or a conflict of interest, the state may withhold award. Before withholding award on these grounds, an Offeror will be notified of the concerns and provided a reasonable opportunity to respond. Efforts to avoid or mitigate such concerns, including restrictions on future activities, may be considered. [02-2A047-1]

DEADLINE FOR SUBMISSION OF OFFER (JAN 2004)

Any offer received after the Procurement Officer of the governmental body or his designee has declared that the time set for opening has arrived, shall be rejected unless the offer has been delivered to the designated purchasing office or the governmental bodies mail room which services that purchasing office prior to the bid opening. [R.19-445.2070(H)] [02-2A050-1]

DRUG FREE WORK PLACE CERTIFICATION (JAN 2004)

By submitting an Offer, Contractor certifies that, if awarded a contract, Contractor will comply with all applicable provisions of The Drug-free Workplace Act, Title 44, Chapter 107 of the South Carolina Code of Laws, as amended. [02-2A065-1]

DUTY TO INQUIRE (JAN 2006)

Offeror, by submitting an Offer, represents that it has read and understands the Solicitation and that its Offer is made in compliance with the Solicitation. Offerors are expected to examine the Solicitation thoroughly and should request an explanation of any ambiguities, discrepancies, errors, omissions, or conflicting statements in the Solicitation. Failure to do so will be at the Offeror's risk. Offeror assumes responsibility for any patent ambiguity in the Solicitation that Offeror does not bring to the State's attention. [02-2A070-1]

ETHICS CERTIFICATE (MAY 2008)

By submitting an offer, the Offeror certifies that the Offeror has and will comply with, and has not, and will not, induce a person to violate Title 8, Chapter 13 of the South Carolina Code of Laws, as amended (ethics act). The following statutes require special attention: Section 8-13-700, regarding use of official position for financial gain; Section 8-13-705, regarding gifts to influence action of public official; Section 8-13-720, regarding offering money for advice or assistance of public official; Sections 8-13-755 and 8-13-760, regarding restrictions on employment by former public official; Section 8-13-775, prohibiting public official with economic interests from acting on contracts; Section 8-13-790, regarding recovery of kickbacks; Section 8-13-1150, regarding statements to be filed by consultants; and Section 8-13-1342, regarding restrictions on contributions by contractor to candidate who participated in awarding of contract. The state may rescind any contract and recover all amounts expended as a result of any action taken in violation of this provision. If contractor participates, directly or indirectly, in the evaluation or award of public contracts, including without limitation, change orders or task orders regarding a public contract, contractor shall, if required by law to file such a statement, provide the statement required by Section 8-13-1150 to the procurement officer at the same time the law requires the statement to be filed. [02-2A075-2]

IRAN DIVESTMENT ACT- CERTIFICATION (JAN 2015)

(a) The Iran Divestment Act List is a list published by the Board pursuant to Section 11-57-310 that identifies persons engaged in investment activities in Iran. Currently, the list is available at the following URL: <http://procurement.sc.gov/PS/PS-iran-divestment.phtm> (.) Section 11-57-310 requires the government to provide a person ninety days written notice before he is included on the list. The following representation, which is required by Section 11-57-330(A), is a material inducement for the State to award a contract to you. (b) By signing your Offer, you certify that, as of the date you sign, you are not on the then-current version of the Iran Divestment Act List. (c) You must notify the Procurement Officer immediately if, at any time before posting of a final statement of award, you are added to the Iran Divestment Act List. [02-2A077-1]

OMIT TAXES FROM PRICE (JAN 2004)

Do not include any sales or use taxes in Your price that the State may be required to pay. [02-2A080-1]

PROTESTS (JUNE 2006)

Any prospective bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the solicitation of a contract shall protest within fifteen days of the date of issuance of the applicable solicitation document at issue. Any actual bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the intended award or award of a contract shall protest within ten days of the date notification of award is posted in accordance with this code. A protest shall be in writing, shall set forth the grounds of the protest and the relief requested with enough particularity to give notice of the issues to be decided, and must be received by the appropriate Chief Procurement Officer within the time provided. See clause entitled "Protest-CPO". [Section 11-35-4210] [02-2A085-1]

PREPARATION OF PROPOSAL

Preparation of Proposal: (a) All Offers should be complete and carefully worded and should convey all of the information requested. (b) Offers should be prepared simply and economically, providing a straightforward, concise description of Offeror's capabilities to satisfy the requirements of the Request for Proposal. Emphasis should be on completeness and clarity of content. (c) If your Offer includes any comment over and above the specific information requested in our Request for Proposal, you are to include this information as a separate appendix to your offer. Offers which include either modifications to any of the Request for Proposal's contractual requirements or an Offeror's standard terms and conditions may be deemed non-responsive and not considered for award.

PUBLIC OPENING (JAN 2004)

Offers will be publicly opened at the date/time and at the location identified on the Cover Page, or last Amendment, whichever is applicable. [02-2A090-1]

QUESTIONS FROM OFFERORS (JAN 2004)

(a) Any prospective Offeror desiring an explanation or interpretation of the solicitation, drawings, specifications, etc., must request it in writing. Questions must be received by the Procurement Officer no later than five (5) days prior to opening unless otherwise stated on the Cover Page. Label any communication regarding your questions with the name of the procurement officer, and the solicitation's title and number. Oral explanations or instructions will not be binding. Any information given a prospective Offeror concerning a solicitation will be furnished promptly to all other prospective Offerors as an Amendment to the solicitation, if that information is necessary for submitting offers or if the lack of it would be prejudicial to other prospective Offerors. (b) The State seeks to permit maximum practicable competition. Offerors are urged to advise the Procurement Officer -- as soon as possible -- regarding any aspect of this procurement, including any aspect of the Solicitation, that unnecessarily or inappropriately limits full and open competition. [02-2A095-1]

REJECTION/CANCELLATION (JAN 2004)

The State may cancel this solicitation in whole or in part. The State may reject any or all proposals in whole or in part. [SC Code Section 11-35-1710 & R.19-445.2065] [02-2A100-1]

RECEIPT OF PROPOSALS

PEBA will receive sealed proposals until 3:00 p.m. local time on the opening date shown. The submitting Offeror should have printed on the envelope or wrapping containing his proposal the Proposal Title specified on the Cover Page of this Request for Proposal (page 1) and the proposal opening date/time. PEBA assumes no responsibility for unmarked or improperly marked envelopes. All envelopes received showing the Request for Proposal title and opening date/time will be placed directly under locked security until the date and time of opening. Proposals transmitted electronically or submitted via PEBA's facsimile machine will not be accepted.

RELEASE OF CLAIMS

With the submission of a proposal, each Offeror agrees that it will not bring any claim or have any cause of action against PEBA based on any misunderstanding, failure by PEBA to properly convey the information, or failure by PEBA to provide the Offeror with pertinent information as intended by the Request for Proposal. Additionally, the Offeror, its officers, agents, or representatives waive and release PEBA and each and any entity, person, or other source providing any information concerning the Offeror, of any and all claims of any sort or variety whether in tort, contract or otherwise, whether known or unknown, regarding the Offeror's or subcontractor's past performance, products, services, personnel, reputation or its Subcontractors or any other information sought or obtained by PEBA, whether or not the information is relied on by PEBA. The Offeror agrees that it will assert no claims for proposal preparation costs arising from a protest, action or claim arising from the solicitation or award.

RESPONSIVENESS/IMPROPER OFFERS (JAN 2004)

(a) Bid as Specified. Offers for supplies or services other than those specified will not be considered unless authorized by the Solicitation.

(b) Responsiveness. Any Offer which fails to conform to the material requirements of the Solicitation may be rejected as nonresponsive. Offers which impose conditions that modify material requirements of the Solicitation may be rejected. If a fixed price is required, an Offer will be rejected if the total possible cost to the State cannot be determined. Offerors will not be given an opportunity to correct any material nonconformity. Any deficiency resulting from a minor informality may be cured or waived at the sole discretion of the Procurement Officer. [R.19-445.2070 and Section 11-35-1520(13)]

(c) Price Reasonableness: Any offer may be rejected if the Procurement Officer determines in writing that it is unreasonable as to price. [R. 19-445.2070].

(d) Unbalanced Bidding. The State may reject an Offer as nonresponsive if the prices bid are materially unbalanced between line items or subline items. A bid is materially unbalanced when it is based on prices significantly less than cost for some work and prices which are significantly overstated in relation to cost for other work, and if there is a reasonable doubt that the bid will result in the lowest overall cost to the State even though it may be the low evaluated bid, or if it is so unbalanced as to be tantamount to allowing an advance payment.

[02-2A105-1]

RESTRICTIONS APPLICABLE TO OFFERORS (JAN 2004)

Violation of these restrictions may result in disqualification of your offer, suspension or debarment, and may constitute a violation of the state Ethics Act. (a) After issuance of the solicitation, ***you agree not to discuss this procurement activity in any way with the Using Governmental Unit or its employees, agents or officials.*** All communications must be solely with the Procurement Officer. This restriction may be lifted by express written permission from the Procurement Officer. This restriction expires once a contract has been formed. (b) Unless otherwise approved in writing by the Procurement Officer, ***you agree not to give anything to any Using Governmental Unit or its employees, agents or officials prior to award.*** [02-2A110-1]

SIGNING YOUR OFFER (JAN 2004)

Every Offer must be signed by an individual with actual authority to bind the Offeror. (a) If the Offeror is an individual, the Offer must be signed by that individual. If the Offeror is an individual doing business as a firm, the Offer must be submitted in the firm name, signed by the individual, and state that the individual is doing business as a firm. (b) If the Offeror is a partnership, the Offer must be submitted in the partnership name, followed by the words by its Partner, and signed by a general partner. (c) If the Offeror is a corporation, the Offer must be submitted in the corporate name, followed by the signature and title of the person authorized to sign. (d) An Offer may be submitted by a joint venturer involving any combination of individuals, partnerships, or corporations. If the Offeror is a joint venture, the Offer must be submitted in the name of the Joint Venture and signed by every participant in the joint

venture in the manner prescribed in paragraphs (a) through (c) above for each type of participant. (e) If an Offer is signed by an agent, other than as stated in subparagraphs (a) through (d) above, the Offer must state that it has been signed by an Agent. Upon request, Offeror must provide proof of the agent's authorization to bind the principal. [02-2A115-1]

STATE OFFICE CLOSINGS (JAN 2004)

If an emergency or unanticipated event interrupts normal government processes so that offers cannot be received at the government office designated for receipt of bids by the exact time specified in the solicitation, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal government processes resume. In lieu of an automatic extension, an Amendment may be issued to reschedule bid opening. If state offices are closed at the time a pre-bid or pre-proposal conference is scheduled, an Amendment will be issued to reschedule the conference. Useful information may be available at: <http://scemd.org/index.php/department/response/severe-winter-weather> [02-2A120-2]

SUBMITTING CONFIDENTIAL INFORMATION (AUG 2002)

(An overview is available at www.procurement.sc.gov) For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the word "CONFIDENTIAL" every page, or portion thereof, that Offeror contends contains information that is exempt from public disclosure because it is either (a) a trade secret as defined in Section 30-4-40(a)(1), or (b) privileged and confidential, as that phrase is used in Section 11-35-410. For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the words "TRADE SECRET" every page, or portion thereof, that Offeror contends contains a trade secret as that term is defined by Section 39-8-20 of the Trade Secrets Act. For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the word "PROTECTED" every page, or portion thereof, that Offeror contends is protected by Section 11-35-1810. All markings must be conspicuous; use color, bold, underlining, or some other method in order to conspicuously distinguish the mark from the other text. Do not mark your entire response (bid, proposal, quote, etc.) as confidential, trade secret, or protected. If your response, or any part thereof, is improperly marked as confidential or trade secret or protected, the State may, in its sole discretion, determine it nonresponsive. If only portions of a page are subject to some protection, do not mark the entire page. By submitting a response to this solicitation or request, Offeror (1) agrees to the public disclosure of every page of every document regarding this solicitation or request that was submitted at any time prior to entering into a contract (including, but not limited to, documents contained in a response, documents submitted to clarify a response, and documents submitted during negotiations), unless the page is conspicuously marked "TRADE SECRET" or "CONFIDENTIAL" or "PROTECTED", (2) agrees that any information not marked, as required by these bidding instructions, as a "Trade Secret" is not a trade secret as defined by the Trade Secrets Act, and (3) agrees that, notwithstanding any claims or markings otherwise, any prices, commissions, discounts, or other financial figures used to determine the award, as well as the final contract amount, are subject to public disclosure. In determining whether to release documents, the State will detrimentally rely on Offeror's marking of documents, as required by these bidding instructions, as being either "Confidential" or "Trade Secret" or "PROTECTED". By submitting a response, Offeror agrees to defend, indemnify and hold harmless the State of South Carolina, its officers and employees, from every claim, demand, loss, expense, cost, damage or injury, including attorney's fees, arising out of or resulting from the State withholding information that Offeror marked as "confidential" or "trade secret" or "PROTECTED". (All references to S.C. Code of Laws.) [02-2A125-1]

SUBMITTING YOUR OFFER OR MODIFICATION (JAN 2004)

(a) Offers and offer modifications shall be submitted in sealed envelopes or packages (unless submitted by electronic means) - (1) Addressed to the office specified in the Solicitation; and (2) Showing the time and date specified for opening, the solicitation number, and the name and address of the bidder. (b) If you are responding to more than one solicitation, each offer must be submitted in a different envelope or package. (c) Each Offeror must submit the number of copies indicated on the Cover Page. (d) Offerors using commercial carrier services shall ensure that the Offer is addressed and marked on the outermost envelope or wrapper as prescribed in paragraphs (a)(1) and (2) of this provision when delivered to the office specified in the Solicitation. (e) Facsimile or e-mail offers, modifications, or withdrawals, will not be considered unless authorized by the Solicitation. (f) Offers submitted by electronic commerce shall be considered only if the electronic commerce method was specifically stipulated or permitted by the solicitation. [02-2A130-1]

TAX CREDIT FOR SUBCONTRACTING WITH DISADVANTAGED SMALL BUSINESSES (JAN 2008)

Pursuant to Section 12-6-3350, a taxpayer having a contract with this State who subcontracts with a socially and economically disadvantaged small business is eligible for an income tax credit equal to four percent of the payments to that subcontractor for work pursuant to the contract. The subcontractor must be certified as a socially and economically disadvantaged small business as defined in Section 11-35-5010 and regulations pursuant to it. The credit is limited to a maximum of fifty thousand dollars annually. A taxpayer is eligible to claim the credit for ten consecutive taxable years beginning with the taxable year in which the first payment is made to the

subcontractor that qualifies for the credit. After the above ten consecutive taxable years, the taxpayer is no longer eligible for the credit. A taxpayer claiming the credit shall maintain evidence of work performed for the contract by the subcontractor. The credit may be claimed on Form TC-2, "Minority Business Credit." A copy of the subcontractor's certificate from the Governor's Office of Small and Minority Business (OSMBA) is to be attached to the contractor's income tax return. Questions regarding the tax credit and how to file are to be referred to: SC Department of Revenue, Research and Review, Phone: (803) 898-5786, Fax: (803) 898-5888. Questions regarding subcontractor certification are to be referred to: Governor's Office of Small and Minority Business Assistance, Phone: (803) 734-0657, Fax: (803) 734-2498. [02-2A135-1]

TAXPAYER IDENTIFICATION NUMBER (JAN 2004)

(a) If Offeror is owned or controlled by a common parent as defined in paragraph (b) of this provision, Offeror shall submit with its Offer the name and TIN of common parent.

(b) Definitions: "Common parent," as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member. "Taxpayer Identification Number (TIN)," as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(c) If Offeror does not have a TIN, Offeror shall indicate if either a TIN has been applied for or a TIN is not required. If a TIN is not required, indicate whether (i) Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States; (ii) Offeror is an agency or instrumentality of a state or local government; (iii) Offeror is an agency or instrumentality of a foreign government; or (iv) Offeror is an agency or instrumentality of the Federal Government. [02-2A140-1]

UNSUCCESSFUL OFFERORS

Offerors not awarded a contract under this solicitation may request return of their proposals within thirty (30) calendar days after notification of award is posted. All cost of returns will be paid by the Offeror. Thirty (30) calendar days after notification of award is posted all materials submitted by firms not awarded a contract may be destroyed.

VENDOR REGISTRATION MANDATORY (JAN 2006)

You must have a state vendor number to be eligible to submit an offer. To obtain a state vendor number, visit www.procurement.sc.gov and select New Vendor Registration. (To determine if your business is already registered, go to "Vendor Search"). Upon registration, you will be assigned a state vendor number. Vendors must keep their vendor information current. If you are already registered, you can update your information by selecting Change Vendor Registration. (Please note that vendor registration does not substitute for any obligation to register with the S.C. Secretary of State or S.C. Department of Revenue. You can register with the agencies at <http://www.scbos.com/default.htm>) [02-2A145-1]

WITHDRAWAL OR CORRECTION OF OFFER (JAN 2004)

Offers may be withdrawn by written notice received at any time before the exact time set for opening. If the Solicitation authorizes facsimile offers, offers may be withdrawn via facsimile received at any time before the exact time set for opening. A bid may be withdrawn in person by a bidder or its authorized representative if, before the exact time set for opening, the identity of the person requesting withdrawal is established and the person signs a receipt for the bid. The withdrawal and correction of Offers is governed by S.C. Code Section 11-35-1520 and Regulation 19-445.2085. [02-2A150-1]

II. INSTRUCTIONS TO OFFERORS -- B. SPECIAL INSTRUCTIONS

Any questions, comments, requests for information or clarifications regarding the Request For Proposal must be submitted in writing by the dates listed on the cover page, and in the Schedule of Key Events, and below. Do NOT wait to assert deviations, exceptions, etc. to anything in this Request for Proposal until (or in) the submission of your proposal. Potential Offerors are strongly encouraged to mail, e-mail or fax their questions on the Request for Proposal prior to the conference. Any written questions, requests for information or request for clarifications received prior to the conference, or prior to the adjournment of the conference, will be responded to in the form of a written amendment to the Request for Proposal and e-mailed to all prospective Offerors. The amendment will also be posted at the following web address: <http://www.mmo.sc.gov/MMO/spo/MMO-eip-solicitations.phtm>. Once the Conference is adjourned, no further questions regarding the Request for Proposal will be accepted.

SUBMISSION OF QUESTIONS

All questions, comments, requests for information or clarifications regarding this Request for Proposal must be submitted **no later than 12:00 PM local time, February 9, 2015**. All questions, comments, requests for information or clarifications should, to the highest degree possible, cite the specific Request for Proposal section and paragraph number(s) to which the question refers. All questions, comments, requests for information or clarifications regarding this Request for Proposal should include the identity of the sender, firm name, mailing address, telephone number, and e-mail address. Email is the preferred method for submitting questions with "Questions: SC Optional Retirement Program RFP" as the subject of the email. Submit questions in an easily copied format such as MS Word.

Mark envelopes on questions mailed: QUESTIONS

Title: Provide Third Party Recordkeeping, Administration and Associated Services for the SC Optional Retirement Program

Attn.: Georgia Gillens, CPPO, CPPB

SEND QUESTIONS TO:

MAIL TO:

S.C. Public Employee Benefit Authority
Insurance Benefits
PO Box 11960
Columbia, SC 29211-1960
Attention Georgia Gillens, CPPO, CPPB

HAND DELIVER/EXPRESS

S.C. Public Employee Benefit Authority
Retirement Benefits
202 Arbor Lake Drive
Columbia, SC 29223
Attention Georgia Gillens, CPPO, CPPB

E-MAIL ADDRESS:

ggillens@peba.sc.gov

CLARIFICATION (NOV 2007)

Pursuant to Section 11-35-1520(8), the Procurement Officer may elect to communicate with you after opening for the purpose of clarifying either your offer or the requirements of the solicitation. Such communications may be conducted only with offerors who have submitted an offer which obviously conforms in all material aspects to the solicitation. Clarification of an offer must be documented in writing and included with the offer. Clarifications may not be used to revise an offer or the solicitation. [Section 11-35-1520(8); R.19-445.2080] [02-2B055-1]

CONTENTS OF OFFER (RFP) – (JAN 2006)

- (a) Offers should be complete and carefully worded and should convey all of the information requested.
- (b) Offers should be prepared simply and economically, providing a straightforward, concise description of offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
- (c) Each copy of your offer should be bound in a single volume where practical. All documentation submitted with your offer should be bound in that single volume.
- (d) If your offer includes any comment over and above the specific information requested in the solicitation, you are to include this information as a separate appendix to your offer. Offers which include either modifications to any of the solicitation's contractual requirements or an offeror's standard terms and conditions may be deemed non-responsive and not considered for award.

[02-2B040-1]

DISCUSSIONS & NEGOTIATIONS (NOV 2007)

Submit your best terms from a cost or price and from a technical standpoint. Your proposal may be evaluated and your offer accepted without any discussions, negotiations, or prior notice. Ordinarily, nonresponsive proposals will be rejected outright. Nevertheless, the State may elect to conduct discussions, including the possibility of limited proposal revisions, but only for those proposals reasonably susceptible of being selected for award. If improper revisions are submitted, the State may elect to consider only your unrevised initial proposal. [11-35-1530(6); R.19-445.2095(I)] The State may also elect to conduct negotiations, beginning with the highest ranked offeror, or seek best and final offers, as provided in Section 11-35-1530(8). If negotiations are conducted, the State may elect to disregard the negotiations and accept your original proposal. [02-2B060-1]

OPENING PROPOSALS – PRICES NOT DIVULGED (JAN 2006)

In competitive sealed proposals, prices will not be divulged at opening. [Section 11-35-1530 & R. 19-445.2095(c) (1)] [02-2B110-1]

PROTEST - CPO - MMO ADDRESS (JUNE 2006)

Any protest must be addressed to the Chief Procurement Officer, Materials Management Office, and submitted in writing

- (a) by email to protest-mmo@mmo.state.sc.us ,
- (b) by facsimile at 803-737-0639 , or
- (c) by post or delivery to 1201 Main Street, Suite 600, Columbia, SC 29201. [02-2B122-1]

III. SCOPE OF WORK/SPECIFICATIONS

DELIVERY/PERFORMANCE LOCATION -- SPECIFIED (JAN 2006)

After award, all deliveries shall be made and all services provided to the following address, unless otherwise specified: **S.C. Public Employee Benefit Authority, 202 Arbor Lake Drive, Columbia SC.**
[03-3030-1]

Background

Effective July 1, 2000, the State of South Carolina enacted legislation establishing a defined contribution State Optional Retirement Program. Statutory provisions for the Program may be found in Title 9, Chapter 20 of the South Carolina Code of Laws. The Program meets the requirements for tax-favored treatment under the Internal Revenue Code of 1986 as amended.

Participation in the Program is available to employees of the State of South Carolina, as well as those of public school districts and public colleges and universities within the State of South Carolina. Unless an eligible employee elects to join the Program within 30 days of being hired, he will become a member of the South Carolina Retirement System (SCRS) defined benefit plan by default.

A Participant of the Program (Participant) must also elect a designated service provider upon enrollment, and mandatory employee and employer contributions to the Program are set by statute to equal those of SCRS members. The employee contribution, which is set at 8.16 percent of earnable compensation from July 1, 2015, to June 30, 2016, and a portion of the employer contribution equal to 5.00 percent of the employee's earnable compensation are deposited into the Participant's account. By statute, the remaining portion of the employer contribution is remitted directly to PEBA and used to defray expenses of the Program.

A Participant may change his designated service provider during the open enrollment period each year (January 1 – March 1). If a Participant changes from one designated service provider to another during the open enrollment period, he is not required to transfer his assets. Therefore, it is possible for a Participant to

have Program assets with more than one designated service provider. However, a Participant may only contribute to a single designated service provider at any given time. A Participant may elect to irrevocably join SCRS during the open enrollment period if, at any point during that open enrollment period, he has at least 12 months, but no more than 60 months, of participation in the Program. If a Participant elects to join SCRS during an open enrollment period, the change is applied on April 1 of the same year.

By statute, the Program is required to have no fewer than four designated service providers. Currently, there are 237 employers whose employees are eligible to participate in the Program. As of September 30, 2014, total assets in the Program were approximately \$1.5 billion. There were 40,304 accounts in the Program across all designated service providers as of the same date. Of the total assets, approximately \$348.7 million is invested in annuity contracts that prohibit immediate liquidation. These assets may become more liquid over time as termination and liquidity provisions allow. Refer to the Program Investment Review for more details.

The State has contracted with a co-fiduciary consultant that is responsible for evaluating the Program's core investment options. This consultant also assists the State with consolidated reporting and other special projects as requested.

The following exhibits are for reference only:

- Exhibit One (1): Program Statistics
- Exhibit Two (2): Program Investment Review
- Exhibit Three (3): Program Investment Policy Statement
- Exhibit Four (4): Program Plan Document
- Exhibit Five (5): Program Asset Mapping Procedure

Investment Structure

All investment options shall comply with the provisions of the Program's Investment Policy Statement (IPS). Currently, the IPS allows designated service providers to offer no more than sixteen (16) core investment options. Refer to the "Selection Guidelines" section of the IPS for further details, including a listing of approved asset classes.

The State reserves the right, at its sole discretion, to add to, replace, or remove any of the investment options. Accordingly, an Offeror should not rely on revenues generated from particular proprietary or non-proprietary investment options when determining its proposed fees.

All investment options that are available to receive contributions shall be fully liquid (i.e., available within five business days) at the Participant level. This requirement pertains to transfers between these options, as well as distributions or rollovers out of the Program. Investment options with multi-term payout schedules, lock-ups, or any other form of withdrawal restrictions at the Participant level are prohibited. However, if market conditions dictate, Contractors and the State may implement mutually agreeable transfer restrictions as deemed necessary.

Offerors shall complete Attachment Five (5), which describes its proposed **sample** investment menu. In addition, Offerors shall be able to provide a self-directed brokerage option if requested by the State.

The State will select the Program's investment options during the implementation process (i.e., following the award for services outlined in this Request for Proposal but prior to the beginning of the initial contract term).

Goals and Objectives

For a program of this size to be successful, an administrative process, including assistance with enrollment and education, must be in place to address the needs of all eligible employees. Contractors shall actively manage all activities related to this process to ensure maximum effectiveness of the Program.

Contractors shall perform accurate and timely recordkeeping services and administer the Program within pre-described service standards. A high value is placed on the following qualifications.

1. Focus on Quality and Consistency of Service Delivery:
 - Adheres to successful quality assurance procedures
 - Follows a successful problem resolution methodology
 - Performs services accurately and on a timely basis
 - Provides accurate and consistent responses to inquiries
 - Measures and maintains a high level of customer satisfaction

2. Proactive Approach:
 - Develops and implements a plan that addresses Participant education and service enhancements with clear and concise objectives, timetables, and benchmarking methodology
 - Educates Participants by providing informed service representatives and Participant-friendly communications
 - Provides on-site visits to participating employers for Participant enrollment and group meetings
 - Develops strong working relationships with benefits staff of participating employers in order to maximize opportunities for employee and employer education
 - Provides Participants with comprehensive retirement planning and investment education services
 - Provides comprehensive plan sponsor education opportunities on a regular basis
 - Places emphasis on measuring and helping to improve Participant retirement readiness

3. Commitment to Technology Development:
 - Values information technology security and the protection of Participant information
 - Invests continuously in technology
 - Provides access to cutting edge technological enhancements
 - Demonstrates improvements (e.g., accuracy, timeliness) in client service through technological enhancements

SCOPE OF WORK

Four Contractors shall provide services to include third party recordkeeping, administration, and associated services for the Program, in accordance with all requirements outlined in this Request for Proposal, including all attachments, and the Offeror's response thereto.

The State is seeking proposals that comply with each of the requirements described in Part III, Scope of Work, Sections A through D below. The State considers unacceptable any proposal that provides any deviations from, or caveats to, Part III, Scope of Work, Sections A through D below. As a result, any item any Offeror would like to modify, seek clarifications on, or request any other deviation from, however modest, **MUST** be presented during the question and answer phase for the State to consider and determine before the submission date for all proposals, so that all Offerors will have a common and uniform basis upon which to submit their proposals.

Contractors shall provide, at a minimum, the following material and essential requirements for the Contract term, without deviation or modification, subject to any modifications that may be issued in an Amendment to the Request for Proposal by the State resulting from the question and answer phase:

A. Custodial Trustee and Investment Management Services

1. Contractors shall be able to provide custodial trustee services for the Program.
2. Contractors shall offer all Participants a diverse array of investment options as selected by the State in accordance with the Program's Investment Policy Statement. Contractors shall notify Participants of any changes to investment options as directed by the State.
3. As soon as administratively practicable, Contractors shall return to the Program all 12b-1 fees and other forms of shared revenue generated from the investment options. This revenue could be rebated back to appropriate Participants or used as directed by the State to defray expenses of the Program.

B. Recordkeeping and Administrative Services

1. Contractors shall deal directly with all participating employees and employers.
2. Contractors shall process received contributions, monitor compliance, process daily Participant transactions, and provide timely and accurate Participant and plan-level statements. Contractors shall provide custom reports and data as requested by the State.
3. Contractors shall accommodate multiple payroll locations, various transmittal methods (to include paper format), and various pay frequencies. The State of South Carolina Comptroller General's Office consolidates payroll for approximately eighty-eight (88) participating employers and submits the remittance file and contributions electronically to the current contractors on a semi-monthly basis. Other participating employers submit remittance files and/or contributions electronically, but many provide them in paper format.
4. Contractors shall have a toll-free customer service call center, automated voice response system, and Internet services that allow Participants access to their Program accounts.
5. Contractors' Internet services shall include industry-standard data encryption and a secure method for participating employers to submit and receive payroll data. The State and its designees shall have the ability to search for and view Participant account information via the plan sponsor website without first having to identify the Participant's employer.
6. Contractors shall not require the signature of the State or the Participant's employer in order to process distribution or rollover requests. Information necessary to process such requests in accordance with IRS and Plan document regulations shall be provided to the Contractor electronically or by any other method acceptable to the Contractor.
7. Contractors shall provide a Form 1099-R for all distributions and shall provide administration under Section 401(a)(9), required and minimum distributions, including forcing out required minimum distributions as directed by the State.
8. Contractors shall provide complete review, approval, and administrative services related to Qualified Domestic Relations Orders (QDRO).

9. Contractors shall comply with the Program's plan document and regulatory provisions, including but not limited to changes to the Internal Revenue Code.

10. Contractors shall provide for necessary changes to recordkeeping and administrative processes as a result of changes in State of South Carolina and Federal legislation and regulation.

11. Contractors shall assist Participants with transferring their Program account assets to purchase service in the SCRS defined benefit plan. Contractors shall assess no additional fee or penalty for this service.

12. Upon request, Contractors shall provide the State with any available Participant information that was collected in the administration of the services outlined in this Request for Proposal, and the State may use this information as if it had been collected by the State.

13. Contractors shall be solely liable and responsible for any processing errors caused by it or its agents and shall provide reimbursement for any losses that occur due to such errors.

C. Communication, Education, Advisory, and Enrollment Services

1. Contractors shall provide a comprehensive Participant communication and education program. Communication services are to be supported by service representatives and comprehensive Internet services that provide Participants with interactive financial and retirement planning tools. Contractors shall emphasize the importance of improving Participant retirement readiness and promoting positive long-term outcomes.

2. Contractors shall provide a high-touch, high-tech approach to Participant education, providing them with the education, guidance, and tools necessary to make informed decisions regarding their Program accounts. Each Contractor shall provide a dedicated internet microsite that Participants may use to access their Program account and to learn about the services available within the Program.

3. Contractors shall provide field service representatives, available between the hours of 8:30 am and 5:00 pm on all State business days, to offer Participants one-on-one counseling and group education opportunities.

4. Contractors' representatives who are serving the Program shall have no financial incentives to promote specific investment products or services. Contractors and their representatives shall not directly solicit, or use any information obtained under this Contract to directly solicit, Participants with respect to any products or services outside the scope of this Contract.

5. Enrollment counseling shall be available in person or by phone. Contractors shall provide Participants and their employers with enrollment kits upon request. The design and format of the enrollment kits, as well as any other communication materials and forms distributed in accordance with this Contract, shall be approved by the State prior to distribution. In addition, any modifications to the design and format of these materials are subject to prior approval by the State.

6. Contractors shall make investment advice, including a managed account service, available to all Participants. All relevant Program fees, including administrative and investment advice fees, shall be listed on quarterly Participant statements.

7. Contractors shall provide participating employers with ongoing education related to day-to-day operation of the Program including, but not limited to:

- how to transmit contributions and remittance files;
- how to navigate the plan sponsor website; and
- how to comply with administrative procedures and regulatory requirements.

8. Contractors shall participate each year in a strategic planning meeting with the State.

9. Contractors shall provide the State and/or its investment consultant with any data necessary to properly evaluate, monitor, and educate Participants on the Program's investment options.

10. Contractors shall provide the State and/or its investment consultant with any data necessary to carry out consolidated reporting, retirement readiness studies, and other special projects as requested by the State.

D. Other Requirements

1. Contractors shall offer fees in accordance with the Most Favored Nations clause, applicable to similarly situated clients in terms of assets, participants, and services.

2. If requested, Contractors shall supply Program-related information to the State and its consultants, attorneys, auditors, and other designees. With reasonable notice, Contractors shall provide access to parties authorized by the State to perform audits or reviews.

3. Contractors shall provide the State with a detailed transition plan within twenty (20) business days of the date the award becomes effective, along with written materials to explain Program changes and enhancements.

IV. INFORMATION FOR OFFERORS TO SUBMIT

INFORMATION FOR OFFERORS TO SUBMIT -- GENERAL (JAN 2006)

Offeror shall submit a signed Cover Page and Page Two. Offeror should submit all other information and documents requested in this part and in parts II.B. Special Instructions; III. Scope of Work; V. Qualifications; VIII. Bidding Schedule/Price Proposal; and any appropriate attachments addressed in section IX. Attachments to Solicitations. [04-4010-1]

SERVICE PROVIDER SECURITY ASSESSMENT QUESTIONNAIRE (OCT 2014)

The Contractor must demonstrate that programs, policies and procedures are in place to securely collect, manage, store, process and access all government information (as defined in the clause titled "Information Security"). In order for the State to accurately evaluate the strength and viability of the Contractor's security policies, procedures and practices related to data security, usage and privacy, Offerors must provide either (a) a thorough and complete written response to the Service Provider Security Assessment Questionnaire ("Response to SPSAQ") attached to this Solicitation, or (b) an ISO/IEC 27001 compliance certificate issued by a properly accredited body or an SOC 2 (Type 2) or SOC 3 report from a qualified auditor, either of which must address all any computerized infrastructure that may containing government information. [04-4027-1]

INFORMATION FOR OFFERORS TO SUBMIT

Proposals will be accepted only from the entity that will be providing the services hereunder. Offerors shall submit:

- a. One (1) original marked "original" and five (5) identical paper copies of your Proposal.
- b. Five (5) labeled CDs containing a copy of the Offeror's Proposal Response (in MS Word, MS Excel and/or PDF format where appropriate).
- c. One (1) CD labeled "original redacted" containing a redacted version of your original Proposal.

Offerors are required to mark the original copy of their offer to identify any information that is exempt from public disclosure. Offerors must do so in accordance with the clause entitled "Submitting Confidential Information." In addition, Offerors should also submit one CD of their offer from which they have removed any information that they marked as exempt, i.e., a redacted copy. The information redacted should mirror in every detail the information marked as exempt from public disclosure. The redacted copy should (i) reflect the same pagination as the original, (ii) show the empty space from which information was redacted, and (iii) be submitted in the following format: compact disk (CD) in one of the following formats: CD-R; DVD ROM; DVD-R; or DVD+R. File format shall be Microsoft Word. Except for the redacted information, the CD must be identical to the original hard copy and accessible for reproduction by the S.C. Public Employee Benefit Authority.

Offerors should submit the following information for purposes of evaluation. The S.C. Public Employee Benefit Authority desires a detailed written submission to make an accurate comparison of all proposals received. The Proposal should include all of the following sections and should be presented in the listed order:

A. Cover Page

Offerors must submit a signed copy of the cover page (page one) with their offer. By submitting a proposal, Offeror agrees to be bound by all of the terms of the Solicitation. Offerors agree to hold their offer open for a minimum of ninety (90) calendar days after the Opening Date.

B. Executive Summary

An Executive Summary should be provided with the Offeror's Proposal. The Executive Summary should bear the name and address of the Offeror, the title of this Request for Proposal, and acknowledgement of the receipt of any amendments. The Executive Summary should include a brief description of the Offeror's understanding

of the scope of services to be provided and be signed by an individual who is authorized to commit the Offeror to the services and requirements as stated in this Request for Proposal.

C. Statement of Acceptance

Offerors shall reply by declaring that the Offeror fully understands, agrees to, and will comply with all of the provisions/requirements/terms in each of these Parts as described in Information for Offerors to Submit - General. Offerors should include this statement of acceptance in their Executive Summary. Please note that the State considers any proposal containing deviations, exceptions or caveats to the Request for Proposal that have not been submitted for consideration during the question and answer phase and adopted by the South Carolina Public Employee Benefit Authority as unacceptable.

D. Table of Contents

The Proposal should include a Table of Contents that lists page number references. The Table of Contents should be in sufficient detail to facilitate easy reference to the sections of the Proposal and separate attachments (which shall be included in the main Table of Contents). If supplemental materials are included with the Proposal, each copy of the Proposal must include such supplemental materials. Supplemental information (i.e., information not required) and attachments included by the Offeror should be clearly identified in the Table of Contents and provided as a separate section.

E. Subcontractors and Affiliates

Offerors may utilize the service(s) of an affiliate or a subcontractor to perform services/requirements outlined in this Request for Proposal. If the Offeror's services provided for hereunder include services, equipment, or materials supplied by an affiliate, the affiliate shall be within the Offeror's controlled group and the Offeror, if awarded a contract, must act as the Contractor and shall assume full responsibility for any affiliate's performance.

If the Offeror's services provided for hereunder include services, equipment, or materials supplied by a subcontractor, the Offeror, if awarded a contract, must act as the Contractor and assume full responsibility for any subcontractor's performance. Contractors will be considered the sole point of contact with regard to all situations, including payment of all charges and the meeting of all requirements.

Offerors utilizing the services of an affiliate or a subcontractor to perform services/requirements outlined in this Request for Proposal should complete Attachment Four (4), Subcontractor/Affiliate Information. Attachment Four (4) should be completed for each subcontractor/affiliate proposed to perform any of the requirements of this contract. All subcontractor arrangements must be finally established and all contracts negotiated with subcontractors/affiliates prior to submission of proposals. Following submission of proposals and prior to award, copies of all subcontractor contracts may be requested for review by the S.C. Public Employee Benefit Authority.

If the Offeror or any subcontractor/affiliate arrangement(s) necessitate an additional administrative agreement or procedural document to be signed by the State, Offerors should provide copies of all of the necessary documents, or at a minimum a sample of the documents, in their proposal response. **Please note: Administrative agreements not submitted with your response may not be accepted after award.**

F. Offeror's Technical Proposal Response

Offerors should provide a detailed response to each of the questions/sub-questions below. Please be specific in your response. Please list the question as stated below with your response immediately following the question.

I. Company History

1. Provide an overview of your company, including the following:
 - a. Date established
 - b. Ownership (e.g., public, partnership, subsidiary)
 - c. Relationships with other entities relevant or related to the subject matter of this Request for Proposal
 - d. Years in the defined contribution market
 - e. Years in the public sector defined contribution, specifically related to 401(a), 401(k), and 457(b) defined contribution plans (indicate period of time for each service, if different, such as investment management for “X” years, recordkeeping for “Y” years, trustee services for “Z” years)
2. Provide the following information about your company:
 - a. Total assets under administration
 - b. Total defined contribution assets under administration
 - c. Total public sector defined contribution assets under administration
 - d. Total 401(a) assets under administration
3. List your top ten clients by total plan assets.
4. Describe your client retention statistics for each of the last three (3) years. What percentage of these clients left for issues pertaining to services provided by your company? What is your average client relationship duration?
5. How many public sector 401(a) plans have you gained in the last three (3) years? How many have you lost in the last three (3) years?
6. Provide a representative list of your public sector defined contribution clients (complete below chart).

Client Name	Total Participants	Total Assets	Length of Relationship

7. List the number and total assets of your current public sector defined contribution plans (complete below chart).

	Plans		Assets	
	Number	Percentage	Amount	Percentage
Less than 5,000				
5,001 – 10,000				
10,001 – 20,000				
More than 20,000				
Total				

8. What is the total number of participants in your public sector defined contribution plans?
9. Describe your experience in providing 401(a) administration services to similar governmental clients.
10. Describe your errors and omissions liability insurance and coverage. Describe the types of insurance coverage and indemnification provided to protect clients.

11. Has your company, or any affiliates, been a party to any litigation during the last three (3) years involving your company's defined contribution recordkeeping and administration services? If so, provide: 1) the nature of the claim or action, 2) the current status of the litigation, and 3) any fines or settlements paid.
12. What is the last date when your company had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the recordkeeping division?
13. Describe any pending or anticipated plans to re-organize your company within itself or as part of the larger organization of which your company is a part.

II. References

1. Provide references for your three (3) current public sector clients whose plan demographics are most similar to the Program (e.g., plan size, plan design). If available, at least one (1) of these three (3) clients should have converted within the last year. For each reference, provide client name, contact name, address, phone number, e-mail address, services provided, and the year they became your client.
2. Provide references for your three (3) former clients whose plan demographics are most similar to the Program (e.g., plan size, plan design). If available, at least one (1) of the three (3) clients should have left within the last year. For each reference, provide former client name, contact name, address, phone number, e-mail address, services provided, the year they left, and the reason(s) for leaving.

III. Client Service and Quality Assurance

1. Provide a break-down of the number of your employees who work on defined contribution retirement plans (complete below chart).

Management	
Call Center Management/Supervisors	
Customer Service Representatives	
Field Service Representatives	
Systems Management	
Systems Staff: Development and Operating/Maintenance	
Other *	

* Specify types of employees listed above as Other.

2. List the average tenure (in years) of the following positions in your company:
 - a. Plan Administrator
 - b. Client Relationship Manager
 - c. Field Service Representatives
 - d. Conversion Project Manager
 - e. Call Center Customer Service Representatives
3. Describe the team that would deal directly with the State on an ongoing basis. Indicate staff size, experience, and turnover rates. Provide a resume for each of these individuals, including their level of education and work experience.

4. Will your company need to add local employees in order to provide the required services? If so, provide details on the required additional staff (i.e., number of staff needed, job title, function).
5. What is the average number of account relationships for each member of your proposed service team? What is the current number of account relationships for each member of this team?
6. Which of your office location(s) would provide the necessary services?
7. Describe the training program and licensing requirements for your field service representatives.
8. Describe the training program and licensing requirements for your call center customer service representatives.
9. Does your company provide training to benefits and payroll staff of participating employers? If so, list some of the common topics and issues that arise during training.
10. Describe your service standards and turnaround time, including any applicable service guarantees (complete below chart).

Transaction	Turnaround Time	Performance Guarantee (\$)
Issuance of Participant Statements		
Transaction Confirmation Statements		
Plan-Level Administrative Reports (hard copies)		
Payroll Contribution Processing		
Termination/Rollovers/Direct Transfers for Distribution		
Fund Balance Transfers		
Investment Election Requests		
Required Minimum Distribution Processing		
Death Claim Processing		
QDRO Processing		

11. The State is dedicated to measuring and maintaining a high level of customer (employee and employer) satisfaction. Describe your procedures for monitoring:
 - a. client satisfaction;
 - b. employer satisfaction; and
 - c. participant satisfaction.
12. How frequently do you conduct customer satisfaction surveys to assess your defined contribution services and performance?
13. When was your most recent customer satisfaction survey? Describe its results.
14. Who is responsible for conducting your surveys?
15. How do you address the concerns of clients and participants who are not satisfied with your performance (i.e., action steps, corrective measures)?
16. Outline the methodology you employ to target different cross sections of your participant population.

IV. Recordkeeping and Administration

1. What percentage of your company's expenses is related to recordkeeping and system technology development?
2. Do you provide an administrative/ procedures manual that includes a timeline of critical dates, roles, and responsibilities?
3. Would you customize administrative forms used by the Program? If so, describe the level of customization.
4. Confirm you will be able to handle the high volume of payroll reconciliations required to serve the Program. Describe your administrative process for correcting payroll data and performing edits on incomplete or missing data.
5. Can you accept manual edits, adjustments, and indicative data changes to the contribution input file?
6. Describe your recordkeeping and administrative capabilities for handling negative data on payroll files.
7. Confirm you are able to accept hard-copy payroll files from participating employers.
8. For systematic payment distributions, can participants elect systematic payment from specific funds?
9. Does your system withhold Federal and state taxes (if applicable) on distributions?
10. Confirm you will prepare a Form 1099-R and issue tax statements to Participants for all distributions.
11. Describe your search process for participants with un-cashed benefit checks or distributions.
12. Confirm you will process and approve QDROs with the attorneys representing the relevant parties. In addition, confirm you will maintain separate accounts for alternate payees.
13. Describe your process for tracking and maintaining participant beneficiary designations.
14. Describe the historical information you maintain about participant accounts, distinguishing between which information is immediately available and which information is archived.
15. Describe how your recordkeeping system handles funds with short-term redemption fees, round trip prohibitions, or equity wash rules.
16. Describe your available methods for rebating shared revenue (generated by the mutual fund investment options) back to participant accounts.
17. Describe your process for capturing float interest, and explain whether you would retain that float interest as compensation or rebate it to the State. In what manner do you document and report float interest earned from the Program?
18. Confirm you will assist Participants at no additional cost with transferring their Program account assets to purchase service in the SCRS defined benefit plan.
19. Provide a list of any administrative services you provide, which have not previously been described.

V. Regulatory and Compliance

1. Should the State desire such services, list the compliance testing you provide and how you address any tests that fail.
2. Describe how you administer §401(a) (9) required minimum distributions, including:
 - a. identification of eligible individuals;
 - b. determination of the required payment amount; and
 - c. processing of the payment by the required deadline.
3. Confirm you are able to provide an annual benefits file containing all available data by Participant.
4. Provide the results of the most recent SSAE 16 audit of your recordkeeping system.
5. What resources do you have to obtain legal opinions, interpretations of laws, regulations, and other matters on issues pertaining to public sector defined contribution plans?
6. How do you ensure your recordkeeping system is in compliance with all applicable rules and regulations, including changes to contribution limits? How quickly are changes to Federal and state law reflected in your system?
7. Fully describe your fiduciary responsibility as it pertains to the services outlined in this Request for Proposal.
8. Should the State wish to comply with 408(b)(2) and 404(a) regulations, confirm you will provide 408(b)(2) disclosures to the State and 404(a) disclosures to Participants at no additional cost.

VI. Plan Audit

Although the State does not foresee any immediate audit engagements pertaining to the Program, please respond to the below questions to describe your related services.

1. Do you have a dedicated group to assist with audit engagements? If not, who gathers the required information? What is the lead time necessary to fulfill requests?
2. Provide a listing of documentation and reports included in your standard annual audit package.
3. Describe your performance guarantees related to the delivery of information for an annual audit.

VII. Reporting

1. Describe and provide samples of the standard reporting package you will provide to the State. Will the State be able to generate these reports online? Are ad-hoc Plan-level reports available?
2. What is the standard timeframe following period-end for providing plan sponsor reports, including for providing quarterly investment asset reports?
3. List the types of demographic and participant data you are able to provide.

4. Describe and provide samples of the standard quarterly participant statements. Which periods are illustrated for a personalized rate-of-return on participant statements?
5. How is retirement readiness addressed in your quarterly participant statements?
6. Describe your customization capabilities for quarterly participant statements. Are you able to itemize and disclose all fees on the quarterly participant statements?
7. How much space is available for customized messages from the State on quarterly participant statements?
8. Could you include other printed materials, prepared by the State, along with the mailed quarterly participant statements? If so, confirm no additional cost for this service. How much lead time is necessary to include materials such as this?
9. Could you provide account statements to participants on an ad-hoc basis?

VIII. Custodial Trustee Services

1. Describe any restrictions by investment type that pertain to your custodial services.
2. Confirm you are able to trustee outside investment funds.
3. Do you have an electronic link with investment managers for updating program assets on your recordkeeping system?
4. Describe your reconciliation process to ensure participant accounts and total custodial assets are in proof.

IX. Plan Implementation (Not an Evaluated Item)

The State will select the Program's investment options during the implementation process (i.e., following the award for services outlined in this Request for Proposal but prior to the beginning of the initial contract term).

1. Explain your implementation and conversion process, including timeframe, based on a July 1, 2015 conversion with an "in-kind" transfer method that will not require an initial re-enrollment.
2. By what date would you need authority to proceed to accommodate a July 1, 2015 asset and recordkeeping transfer?
3. What involvement will be required from the State during the implementation process?
4. Does your company require a test conversion of prior valuation and reconciliation of assets to balance prior to initiating the implementation process?
5. Describe any format/media limitations pertaining to the receipt of participant data.
6. How do you handle investments during the conversion period? How do you handle distributions, especially scheduled distributions, during the conversion period?

7. Describe your procedures for communicating with participants during the conversion period.
8. Describe your assurances or guarantees regarding a timely implementation.
9. Identify comparable plan conversions with which you have been involved. How many conversions and implementations has your company conducted during the past three (3) years that involved plans with at least ten thousand (10,000) participants?
10. What is the standard length of your blackout period during a conversion?
11. Describe how you will manage the seamless transition of existing participants who utilize advice and managed account services.

X. Systems Capabilities and Hardware

1. Describe the system you use to recordkeep and administer defined contribution plans. Was the software developed internally, is it leased, or was it purchased from another provider? Who is responsible for ensuring the software remains up-to-date regarding any applicable laws and regulations?
2. How long have you used the system for recordkeeping?
3. Describe any major changes to the hardware or software supporting your recordkeeping system that is scheduled for the next twenty-four (24) months.
4. Describe your documented disaster recovery plan. How often do you test your recovery system?
5. Where is your primary data processing center located? Where is your secondary data processing center located?
6. Describe your maintenance and back-up procedures, including daily back-ups, retention timetable, and off-site back-up storage approach. Describe any system outages within the past three (3) years and how they were handled? Has any liability resulted from these outages, and are there any pending claims related to these outages?
7. Can historical information, such as management reports, be stored on CD-ROM, DVD, or similar electronic formats?
8. Offerors should describe in detail their procedures and safeguards used to guarantee:
 - a. Security for your hardware and facility;
 - b. Authorized access to data;
 - c. Confidentiality of data; and
 - d. Security for hard copies of plan-related data or documents.
9. Are your recordkeeping and trust systems fully integrated?
10. Describe any security breaches within the past three (3) years that resulted in improper access to one or more participant accounts.

XI. Automated Voice Response System

1. List the services available through your automated voice response system (VRS).
2. List any types of transactions that cannot be processed through your VRS.
3. Is your VRS capable of generating all necessary administrative forms to handle enrollments, withdrawals, and beneficiary change requests?
4. List the types of VRS transactions that generate written confirmations. Are participants able to request faxed confirmations via your VRS?
5. How quickly is your VRS updated after transactions are processed?
6. Does your VRS capture and retain information related to the confirmation of a transaction request?
7. Is a record retained if a participant initiates, but does not properly complete, a VRS transaction? Is there any standard follow-up for such an occurrence?
8. Does your VRS accommodate non-English speaking participants? Does it accommodate hearing-impaired or speech-impaired participants?
9. Describe how data is secured within your VRS (e.g., audit trail, PINs, written confirmations).

XII. Customer Service Call Center

1. What are the standard hours of operation of your customer service call center? Is there flexibility in setting these hours of operation?
2. Where is your primary customer service call center located? Where is your secondary customer service call center located?
3. List the types of information your call center customer service representatives (CSRs) will be able to provide to participants.
4. List any transactions that cannot be processed through your customer service call center.
5. Can employees enroll in the Program through your customer service call center?
6. Can participants change their PINs through your CSRs? Can a PIN be reset and immediately provided to a participant during the customer service call? Can participants who misplace their PIN call your customer service call center and request that a new PIN be sent directly to their home address?
7. Describe how data is secured within your customer service system (e.g., PINs, recorded lines, written confirmations).
8. Do CSRs support your participant website? How accessible is the site during an active Internet session?

9. Identify your call center customer service goals and standards (e.g., percentage of calls handled without subsequent follow-up, response time). For the past three (3) calendar quarters, include statistics related to the following actual performance:
 - a. Number of calls
 - b. Average length of calls
 - c. Average response time
 - d. Percentage of calls requiring follow-up
 - e. Call abandonment rate
 - f. Percentage of incoming calls handled entirely via VRS
10. Explain your process for recruiting and hiring CSRs. On what basis are your CSRs paid?
11. Do you dedicate CSRs to specific client accounts? If so, how do you determine the number to dedicate? How many CSRs would be dedicated to this relationship?
12. How long do you maintain a record of conversations between CSRs and participants?
13. Describe how your management team monitors the quality of service from your CSRs.
14. What is your procedure for referring a participant from a CSR to their supervisor? What is your procedure for following up on participant complains?

XIII. Internet Services

1. Provide an Internet address and instructions on how to access a demonstration of your Internet capabilities from the perspective of the participant and the plan sponsor.
2. Describe your plan sponsor website capabilities.
3. Describe your participant website capabilities, as well as any available communication materials or tools you offer via the Internet. List any transactions that cannot be completed via the participant website.
4. Describe your online enrollment process.
5. Can participants receive customer service via e-mail or the participant website? If so, who responds to these inquiries? What is the turnaround time?
6. Can participants use the participant website to download personal account information using external software programs (e.g., Microsoft Money, Quicken)?
7. Do you track website activity? If so, describe the tracked information and any related client reports.
8. Describe the security through which a participant passes in order to use your Internet system.
9. Describe any improvements to your Internet capabilities that are scheduled for the next three (3) years?
10. Are the participant website, VRS, and customer service call center's workstation all linked to the same recordkeeping database?

XIV. Communication and Education

1. How long have you provided communication services for public sector defined contribution plans?
2. How do you measure the success of your educational programs? Are you willing to conduct customized surveys to assess the success of these programs?
3. Confirm you will provide Participants and their employers with any requested education and training.
4. Describe the services you offer to support participating employers, especially regarding the enrollment process. How do you track and maintain the inventory of materials?
5. Describe your communication and education program for new participants, established participants, and inactive (i.e., non-contributing) participants. Do you contact new participants immediately upon enrollment? Provide samples of your enrollment kit and other pertinent materials.
6. Describe the retirement planning software you provide to participants. Do you offer video or web-based educational programs? If so, list the classes or courses currently available (no description necessary).
7. Unless already described, what services do you offer to help participants achieve retirement readiness?
8. Describe how you assist participants regarding their distribution options.
9. Describe the role of the State in your communication, education, and enrollment process.
10. To what extent could the State customize your forms, communications, and education materials at no additional cost?

XV. Field Services

1. How many Field Service Representatives (FSRs) would you propose to dedicate to the Program? Will they be exclusively dedicated to this relationship? If not, how many additional accounts will each FSR service?
2. Describe the proposed organizational structure of the FSRs assigned to serve this relationship, including:
 - a. Locations;
 - b. Staffing, including functions to be performed;
 - c. Standard hours of operation;
 - d. How to handle pre-scheduled consultations; and
 - e. How to handle unscheduled consultations.
3. What is your cost associated with each exclusively dedicated FSR? Could you assign more or fewer FSRs to the Program, as the State requests? If so, describe how any requested changes would impact your asset-based fee listed in Attachment Three (3) of this Request for Proposal.
4. Would you need to hire additional staff to perform the services outlined in this Request for Proposal?
5. Describe the credentials and related experience of your FSRs who will be assigned to serve the Program.
6. Describe your compensation structure for FSRs, including an explanation of how any bonuses or incentives are determined.

7. Confirm your FSRs will have no financial incentives to promote specific investment products or services.
8. Confirm your FSRs will be available to meet with Participants on an individual basis. Do you intend to provide each Participant with an annual account review? If so, how will the reviews be conducted (e.g., in person, via telephone)?
9. Describe your philosophy and methods of participant interaction. Specifically, will you offer in-person education or advisory sessions that would provide participants with help in financial literacy, asset allocation, budgeting, and post-retirement income planning?
10. Confirm your FSRs will hold group or individual sessions at the employer's location if requested. Will the office(s) of your FSRs be located in the State of South Carolina? How will your FSRs be deployed geographically? If preferred, would Participants be able to meet at your FSRs office?
11. Identify the aggregate number of group meetings and one-on-one consultations you expect your FSRs to hold annually.

XVI. Investment Advisory Services

1. What are your standard hours of operation during which participants may speak with an investment advisory representative regarding advice? Is there flexibility in setting these hours of operation?
2. Describe your proposed investment advisory services (e.g., Morningstar, Financial Engines, Managed Accounts).
3. Describe the methods through which participants could receive advice (e.g., by phone, in person, via the participant website).
4. Describe the difference between your Internet investment education tools and the software provided with your investment advisory services.
5. Do your investment advisory services include savings rate recommendations? Describe how your investment advisory services produce fund-specific asset allocation recommendations.
6. Describe how your investment advisory services account for participant assets that are outside of the Program.
7. Confirm your investment advisory services will provide Participants with impartial and objective advice, free of any conflicts of interest between the advice provider and investment providers.
8. Describe the generally accepted investment theories that form the basis for your advice model.
9. Confirm the State will not be responsible for advice offered through your investment advisory services. Describe how Participants are informed of your role as fiduciary for this advice.
10. How many of your existing clients have subscribed to the proposed investment advisory services?
11. Describe any plan sponsor reporting you offer to monitor the usage of investment advisory services and the impact of recommendations adopted by participants.

XVII. Self-Directed Brokerage Services (if applicable)

The State is considering whether or not to offer a self-directed brokerage (SDB) option within the Program. As such, please respond to the below questions to describe your related services.

1. What are the standard hours of operation during which participants may speak with a client service brokerage representative regarding trading questions and inquiries? Is there flexibility in setting these hours of operation?
2. Confirm you are able to provide SDB services to all Participants in the Program. Describe your SDB features and design requirements.
3. Can your SDB service restrict a participant from accessing specific investments or types of investments (e.g., precious metals, futures, options, commodities, limited partnerships)? Describe the State's flexibility with imposing access restrictions to your SDB services, including dollar limit restrictions. Describe your procedure for monitoring and enforcing such restrictions.
4. Describe your rules or restrictions for transferring assets between the core investment options and the SDB investment options. Would it be possible to transfer assets from the core investment options directly into specific SDB securities (i.e., bypassing the SDB money market option)?
5. How are assets within a participant's SDB account treated for the purposes of:
 - a. Distributions
 - b. IRC required and minimum distributions
 - c. Qualified Domestic Relations Orders
 - d. Death benefit claims
 - e. Federal tax levies
6. Describe the information from a participant's SDB account that is reflected and reported on the participant's quarterly statement?
7. How often do you provide participants with detailed account summaries of all assets held within their SDB account?
8. What notifications do you provide to participants who accrue and maintain material balances in the SDB money market option?

XVIII. Market-Timing and Trading Restrictions

1. Have you been subpoenaed by regulators with regard to your trading practices? If so, describe these instances.
2. Have you been fined by regulators to pay a settlement regarding market-timing and/or after-hours trading? If so, provide the settlement amount and details on any measures and procedures you implemented to guard against future activity such as this.
3. Describe any internal reviews you have performed to determine if excessive market timing and/or after-hours trading have occurred. Describe the outcome of any such review.

XIX. Investment Management Services

All investment options shall comply with the provisions of the Program's Investment Policy Statement (IPS). Currently, the IPS allows designated service providers to offer no more than sixteen (16) core investment options. Refer to the "Selection Guidelines" section of the IPS for further details, including a listing of approved asset classes.

The State reserves the right, at its sole discretion, to add to, replace, or remove any of the investment options. Accordingly, an Offeror should not rely on revenues generated from particular proprietary or non-proprietary investment options when determining its proposed fees.

All investment options that are available to receive contributions shall be fully liquid (i.e., available within five business days) at the Participant level. This requirement pertains to transfers between these options, as well as distributions or rollovers out of the Program. Investment options with multi-term payout schedules, lock-ups, or any other form of withdrawal restrictions at the Participant level are prohibited. However, if market conditions dictate, Contractors and the State may implement mutually agreeable transfer restrictions as deemed necessary.

Offerors shall complete Attachment Five (5), which describes its proposed **sample** investment menu. In addition, Offerors shall be able to provide a self-directed brokerage option if requested by the State.

The State will select the Program's investment options during the implementation process (i.e., following the award for services outlined in this Request for Proposal but prior to the beginning of the initial contract term).

1. Confirm all investment options that are available to receive contributions will be fully liquid at the Participant level.
2. Provide the number of outside fund family alliances with whom you currently have relationships, as well as the total number of non-proprietary funds available.

XX. Guaranteed Annuity/Stable Value/Cash Proxy Investment Option

All investment options that are available to receive contributions shall be fully liquid (i.e., available within five business days) at the Participant level. This requirement pertains to transfers between these options, as well as distributions or rollovers out of the Program. Investment options with multi-term payout schedules, lock-ups, or any other form of withdrawal restrictions at the Participant level are prohibited. However, if market conditions dictate, Contractors and the State may implement mutually agreeable transfer restrictions as deemed necessary.

The State will select the Program’s investment options during the implementation process (i.e., following the award for services outlined in this Request for Proposal but prior to the beginning of the initial contract term).

1. If proposing a stable value, fixed interest, or annuity product, complete the below charts as of September 30, 2014.

Manager	
Fund Name	
Vehicle (Separate Account/Comingled Trust/General Account)	
Class	
Fund Inception	
Fund Assets (in millions)	
Total Firm Assets (in millions)	
Effective Duration	
Market-to-Book Value Ratio	
Gross Crediting Rate *	
Net Crediting Rate *	
Crediting Rate Reset Frequency	
Minimum Crediting Rate	
Recommended Benchmark	
Benchmark for Underlying Portfolio	
Expense Ratio	
Trustee	

* Specify all fees (e.g., investment management, wrap, sub-advisory, other expenses) associated with the product described above.

Wrap Providers (please list below)	Credit Rating	Allocation (%)
Total		100%

Fees	
Investment Management	
Wrap	
Revenue Share	
Other *	
Total Expense Ratio	

* Specify fees listed above as Other.

Quality/Grade	Allocation (%)
Cash/Cash Equivalent	
AAA	
AA	
A	
BBB	
Below Investment Grade	
Not Rated	
Total	100%

Sector	Allocation (%)
Cash/Cash Equivalent	
U.S. Treasury	
U.S. Government-Related	
Corporate	
Agency Mortgage-Backed Securities	
Non-Agency Mortgage-Backed Securities	
Commercial Mortgage-Backed Securities	
Asset-Backed Securities	
Municipal	
Other *	
Total	100%

* Specify sectors listed above as Other.

Geographical Distribution	Allocation (%)
U.S.	
Dollar-Denominated Non-U.S.	
Foreign Developed	
Emerging Markets	
Total	100%

2. Is your wrap capacity contingent on affiliated investment management?
3. Do you anticipate any changes in wrap fees that would impact the total expense ratio? If so, what is the expected impact?
4. What periodic disclosures or reports are available regarding the composition of the fund, holdings, sector allocations and other characteristics? How soon after quarter-end is this information available?
5. What are the termination and general liquidity provisions of your product at the plan level?

6. Provide returns for your proposed stable value product by completing the below chart.

Trailing Returns	3-Month	YTD	1-Year	3-Year	5-Year	7-Year	10-Year	Inception
Product								
Benchmark								
Annual Returns	2013	2012	2011	2010	2009	2008	2007	
Product								
Benchmark								

* Returns should be gross of investment management fees; net of wrap/sub-advisor/other. Periods greater than 1-year should be annualized.

7. If assets are in a separate account structure (i.e., a trust separate from that of the general account supporting the obligations of the insurer), describe the structure of the trust, including trustee and custodian.

XXI. Offeror’s Proposed Fees

Offerors shall complete Attachment Three (3). All proposed fees must be included in Attachment Three (3) so the State may compare Offerors on an equitable basis.

As soon as administratively practicable, Contractors shall return to the Program all 12b-1 fees and other forms of shared revenue generated from the investment options. This revenue could be rebated back to appropriate Participants or used as directed by the State to defray expenses of the Program.

Contractors’ fees shall be guaranteed for a period of five (5) years, subject to future price reductions based on increased asset size. The State expects favorable fee renegotiations if Program assets increase significantly during the contract period.

All investment options shall comply with the provisions of the Program’s Investment Policy Statement (IPS). Currently, the IPS allows designated service providers to offer no more than sixteen (16) core investment options. Refer to the “Selection Guidelines” section of the IPS for further details, including a listing of approved asset classes.

The State reserves the right, at its sole discretion, to add to, replace, or remove any of the investment options. Accordingly, an Offeror should not rely on revenues generated from particular proprietary or non-proprietary investment options when determining its proposed fees.

Minority Participation Forms

The Offeror shall include a completed Minority Participation form for itself if it is a South Carolina certified Minority Business.

In addition, the Offeror shall include a completed Minority Participation form for each proposed subcontractor who is a South Carolina certified Minority Business.

MINORITY PARTICIPATION (JAN 2006)

Is the bidder a South Carolina Certified Minority Business? Yes No

Is the bidder a Minority Business certified by another governmental entity? Yes No

If so, please list the certifying governmental entity: _____

Will any of the work under this contract be performed by a SC certified Minority Business as a subcontractor? Yes No

If so, what percentage of the total value of the contract will be performed by a SC certified Minority Business as a subcontractor?

Will any of the work under this contract be performed by a minority business certified by another governmental entity as a subcontractor? Yes No

If so, what percentage of the total value of the contract will be performed by a minority business certified by another governmental entity as a subcontractor? _____

If a certified Minority Business is participating in this contract, please indicate all categories for which the Business is certified:

- Traditional minority
- Traditional minority, but female
- Women (Caucasian females)
- Hispanic minorities
- DOT referral (Traditional minority)
- DOT referral (Caucasian female)
- Temporary certification
- SBA 8 (a) certification referral
- Other minorities (Native American, Asian, etc.)

(If more than one minority contractor will be utilized in the performance of this contract, please provide the information above for each minority business.)

For a list of certified minority firms, please consult the Minority Business Directory, which is available at the following URL:<http://www.govoepp.state.sc.us/osmba/>
[04-4015-1]

SUBMITTING REDACTED OFFERS (FEB 2007)

You are required to mark the original copy of your offer to identify any information that is exempt from public disclosure. You must do so in accordance with the clause entitled "Submitting Confidential Information." In addition, you must also submit one complete copy of your offer from which you have removed any information that you marked as exempt, i.e., a redacted copy. The information redacted should mirror in every detail the information marked as exempt from public disclosure. The redacted copy should (i) reflect the same pagination as the original, (ii) show the empty space from which information was redacted, and (iii) be submitted on magnetic media. (See clause entitled "Magnetic Media Required Format.") Except for the redacted information, the CD must be identical to the original hard copy. Portable Document Format (.pdf) is preferred. [04-4030-1]

V. QUALIFICATIONS

QUALIFICATION OF OFFEROR (JAN 2006)

To be eligible for award of a contract, a prospective contractor must be responsible. In evaluating an Offeror's responsibility, the State Standards of Responsibility [R.19-445.2125] and information from any other source may be considered. An Offeror must, upon request of the State, furnish satisfactory evidence of its ability to meet all contractual requirements. Unreasonable failure to supply information promptly in connection with a responsibility inquiry may be grounds for determining that you are ineligible to receive an award. S.C. Code Section 11-35-1810. [05-5005-1]

QUALIFICATIONS -- REQUIRED INFORMATION (JAN 2006)

In order to evaluate your responsibility, Offeror shall submit the following information or documentation for the Offeror and any subcontractor, if the value of subcontractor's portion of the work exceeds 10% of your price (if in doubt, provide the information):

- (a) Include a brief history of the Offeror's experience in providing work of similar size and scope.
 - (b) Your most current financial statement, financial statements for your last two fiscal years, and information reflecting your current financial position. If you have audited financial statements meeting these requirements, you must provide those statements. [Reference Statement of Concepts No. 5 (FASB, December, 1984)]
 - (c) A detailed, narrative statement listing the three most recent, comparable contracts (including contact information) which you have performed and the general history and experience of your organization.
 - (d) A list of every business for which Offeror has performed, at any time during the past three year(s), services substantially similar to those sought with this solicitation. Err on the side of inclusion; by submitting an offer, Offeror represents that the list is complete.
 - (e) List of failed projects, suspensions, debarments, and significant litigation.
- [05-5015-1]

SUBCONTRACTOR -- IDENTIFICATION

If you intend to subcontract with another business for any portion of the work, complete Attachment 4. In determining your responsibility, the State may evaluate your proposed subcontractors.

MANDATORY MINIMUM QUALIFICATIONS

For an Offeror to be considered for an award, it must demonstrate that it, or its subcontractor/affiliate, possesses, as of the date of proposal submission, all of the following minimum qualifications. An Offeror may meet the requirements described in Part V, Qualifications, through a contractor/subcontractor or contractor/affiliate arrangement.

1. Offerors must have at least five (5) years' experience providing the products and services outlined in this Request for Proposal to public sector defined contribution clients.
2. Offerors must have a minimum of three (3) billion dollars in assets under administration for public sector defined contribution plans.
3. Offerors must have at least three (3) public sector defined contribution plan accounts, each with ten thousand (10,000) or more participants.
4. Offerors must have a Statement on Standards for Attestation Engagements No. 16 (SSAE 16), Reporting on Controls at a Service Organization, audit conducted at least annually.

5. Offerors must have provided custodial trustee services to defined contribution plans for at least five (5) years and have a minimum of five (5) billion dollars under custody.

Any Offeror not meeting these requirements will not be considered for award, and therefore will not be evaluated.

VI. AWARD CRITERIA

AWARD CRITERIA -- PROPOSALS (JAN 2006)

Award will be made to the highest ranked, responsive and responsible offeror whose offer is determined to be the most advantageous to the State. [06-6030-1]

AWARD TO MULTIPLE OFFERORS (JAN 2006)

Award may be made to more than one Offeror. [06-6035-1]

COMPETITION FROM PUBLIC ENTITIES (JAN 2006)

If a South Carolina governmental entity submits an offer, the Procurement Officer will, when determining the lowest offer, add to the price provided in any offers submitted by non-governmental entities a percentage equivalent to any applicable sales or use tax. S.C. Code Ann. Regs 117-304.1 (Supp. 2004). [06-6057-1]

EVALUATION FACTORS -- PROPOSALS (JAN 2006)

Offers will be evaluated using only the factors stated below. Evaluation factors are stated in the relative order of importance, with the first factor being the most important. Once evaluation is complete, all responsive offerors will be ranked from most advantageous to least advantageous.

AWARD CRITERIA

- A.** Participating Employee and Employer Services: Information submitted in response to Part IV, Information for Offerors to Submit, Section F, Roman Numerals XI – XVII will be used to evaluate this criterion.
- B.** Recordkeeping and Administrative Services: Information submitted in response to Part IV, Information for Offerors to Submit, Section F, Roman Numerals IV – VII and X will be used to evaluate this criterion.
- C.** Organization and History: Information submitted in response to Part IV, Information for Offerors to Submit, Section F, Roman Numerals I – III will be used to evaluate this criterion.
- D.** Offeror's Proposed Fees: Information submitted in response to Part IV, Information for Offerors to Submit, Section F, Roman Numeral XXI will be used to evaluate this criterion.
- E.** Custodial Trustee and Investment Management Services: Information submitted in response to Part IV, Information for Offerors to Submit, Section F, Roman Numerals VIII and XVIII – XX will be used to evaluate this criterion.

VII. TERMS AND CONDITIONS -- A. GENERAL

ASSIGNMENT (JAN 2006)

No contract or its provisions may be assigned, sublet, or transferred without the written consent of the Procurement Officer. [07-7A004-1]

BANKRUPTCY (JAN 2006)

(a) Notice. In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the Using Governmental Unit. This notification shall be furnished within five (5) days of the initiation of the proceedings relating to the bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of all State contracts against which final payment has not been made. This obligation remains in effect until final payment under this Contract. (b) Termination. This contract is voidable and subject to immediate termination by the State upon the contractor's insolvency, including the filing of proceedings in bankruptcy. [07-7A005-1]

CHOICE-OF-LAW (JAN 2006)

The Agreement, any dispute, claim, or controversy relating to the Agreement, and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except its choice of law rules. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation. [07-7A010-1]

CONTRACT DOCUMENTS and ORDER OF PRECEDENCE (JAN 2006)

(a) Any contract resulting from this solicitation shall consist of the following documents: (1) a Record of Negotiations, if any, executed by you and the Procurement Officer, (2) documentation regarding the clarification of an offer [e.g., 11-35-1520(8) or 11-35-1530(6)], if applicable, (3) the solicitation, as amended, (4) modifications, if any, to your offer, if accepted by the Procurement Officer, (5) your offer, (6) any statement reflecting the state's final acceptance (a/k/a "award"), and (7) purchase orders. These documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. (b) The terms and conditions of documents (1) through (6) above shall apply notwithstanding any additional or different terms and conditions in either (i) a purchase order or other instrument submitted by the State or (ii) any invoice or other document submitted by Contractor. Except as otherwise allowed herein, the terms and conditions of all such documents shall be void and of no effect. (c) Except for any documents properly identified and accepted as provided in Part IV, Section E above, no contract, license, or other agreement containing contractual terms and conditions will be signed by any Using Governmental Unit. Any document signed or otherwise agreed to by persons other than the Procurement Officer shall be void and of no effect. [07-7A015-1]

DISCOUNT FOR PROMPT PAYMENT (JAN 2006)

(a) Discounts for prompt payment will not be considered in the evaluation of offers. However, any offered discount will form a part of the award, and will be taken if payment is made within the discount period indicated in the offer by the Offeror. As an alternative to offering a discount for prompt payment in conjunction with the offer, Offerors awarded contracts may include discounts for prompt payment on individual invoices.

(b) In connection with any discount offered for prompt payment, time shall be computed from the date of the invoice. If the Contractor has not placed a date on the invoice, the due date shall be calculated from the date the designated billing office receives a proper invoice, provided the state annotates such invoice with the date of receipt at the time of receipt. For the purpose of computing the discount earned, payment shall be considered to have been made on the date that appears on the payment check or, for an electronic funds transfer, the specified payment date. When the discount date falls on a Saturday, Sunday, or legal holiday when Federal Government offices are closed and Government business is not expected to be conducted, payment may be made on the following business day.

[07-7A020-1]

DISPUTES (JAN 2006)

(1) Choice-of-Forum. All disputes, claims, or controversies relating to the Agreement shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in the Court of Common Pleas for, or a federal court located in, Richland County, State of South Carolina. Contractor agrees that any act by the Government regarding the Agreement is not a waiver of either the Government's sovereign immunity or the Government's immunity under the Eleventh Amendment of the United States Constitution. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation. (2) Service of Process. Contractor consents that any papers, notices, or process necessary or proper for the initiation or continuation of any disputes, claims, or controversies relating to the Agreement; for any court action in connection therewith; or for the entry of judgment on any award made, may be served on Contractor by certified mail (return receipt requested) addressed to Contractor at the address provided as the Notice Address on Page Two or by personal service or by any other manner that is permitted by law, in or outside South Carolina. Notice by certified mail is deemed duly given upon deposit in the United States mail. [07-7A025-1]

EQUAL OPPORTUNITY (JAN 2006)

Contractor is referred to and shall comply with all applicable provisions, if any, of Title 41, Part 60 of the Code of Federal Regulations, including but not limited to Sections 60-1.4, 60-4.2, 60-4.3, 60-250.5(a), and 60-741.5(a), which are hereby incorporated by reference. [07-7A030-1]

FALSE CLAIMS (JAN 2006)

According to the S.C. Code of Laws Section 16-13-240, "a person who by false pretense or representation obtains the signature of a person to a written instrument or obtains from another person any chattel, money, valuable security, or other property, real or personal, with intent to cheat and defraud a person of that property is guilty" of a crime. [07-7A035-1]

FIXED PRICING REQUIRED (JAN 2006)

Any pricing provided by contractor shall include all costs for performing the work associated with that price. Except as otherwise provided in this solicitation, contractor's price shall be fixed for the duration of this contract, including option terms. This clause does not prohibit contractor from offering lower pricing after award. [07-7A040-1]

IRAN DIVESTMENT ACT-ONGOING OBLIGATIONS- (JAN 2015)

(a) You must notify the procurement officer immediately if, at any time during the contract term, you are added to the Iran Divestment Act List. (b) Consistent with Section 11- 57-330(B), you shall not contract with any person to perform a part of the Work, if, at the time you enter into the subcontract, that person is on the then-current version of the Iran Divestment Act List. [07-7A072-1]

NON-INDEMNIFICATION (JAN 2006)

Any term or condition is void to the extent it requires the State to indemnify anyone. [07-7A045-1]

NOTICE (JAN 2006)

(A) After award, any notices shall be in writing and shall be deemed duly given (1) upon actual delivery, if delivery is by hand, (2) upon receipt by the transmitting party of automated confirmation or answer back from the recipient's device if delivery is by telex, telegram, facsimile, or electronic mail, or (3) upon deposit into the United States mail, if postage is prepaid, a return receipt is requested, and either registered or certified mail is used. (B) Notice to contractor shall be to the address identified as the Notice Address on Page Two. Notice to the state shall be to the Procurement Officer's address on the Cover Page. Either party may designate a different address for notice by giving notice in accordance with this paragraph. [07-7A050-1]

PAYMENT and INTEREST (MAY 2011)

(a) Unless otherwise provided in this Solicitation, the State shall pay the Contractor, after the submission of proper invoices or vouchers, the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified herein, including the purchase order, payment shall not be made on partial deliveries accepted by the Government. (b) Unless otherwise provided herein, including the purchase order, payment will be made by check. (c) Notwithstanding any other provision, payment shall be made in accordance with S.C. Code Section 11-35-45, which provides the Contractor's exclusive means of recovering any type of interest from the Owner. Contractor waives imposition of an interest penalty unless the invoice submitted specifies that the late penalty is applicable. Except as set forth in this paragraph, the State shall not be liable for the payment of interest on any debt or claim arising out of or related to this contract for any reason. (d) Amounts due to the State shall bear interest at the rate of interest established by the South Carolina Comptroller General pursuant to Section 11-35-45 ("an amount not to exceed fifteen percent each year"), as amended. (e) Any other basis for interest, including but not limited to general (pre- and post-judgment) or specific interest statutes, including S.C. Code Ann. Section 34-31-20, are expressly waived by both parties. If a court, despite this agreement and waiver, requires that interest be paid on any debt by either party other than as provided by items (c) and (d) above, the parties further agree that the applicable interest rate for any given calendar year shall be the lowest prime rate as listed in the first edition of the Wall Street Journal published for each year, applied as simple interest without compounding. [07-7A055-2]

PUBLICITY (JAN 2006)

Contractor shall not publish any comments or quotes by State employees, or include the State in either news releases or a published list of customers, without the prior written approval of the Procurement Officer. [07-7A060-1]

PURCHASE ORDERS (JAN 2006)

Contractor shall not perform any work prior to the receipt of a purchase order from the using governmental unit. The using governmental unit shall order any supplies or services to be furnished under this contract by issuing a purchase order. Purchase orders may be used to elect any options available under this contract, e.g., quantity, item, delivery date, payment method, but are subject to all terms and conditions of this contract. Purchase orders may be electronic. No particular form is required. An order placed pursuant to the purchasing card provision qualifies as a purchase order. [07-7A065-1]

SETOFF (JAN 2006)

The state shall have all of its common law, equitable, and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the state with regard to this contract, any other contract with any state department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the state for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. [07-7A070-1]

SURVIVAL OF OBLIGATIONS (JAN 2006)

The Parties' rights and obligations which, by their nature, would continue beyond the termination, cancellation, rejection, or expiration of this contract shall survive such termination, cancellation, rejection, or expiration, including, but not limited to, the rights and obligations created by the following clauses: Indemnification - Third Party Claims, Intellectual Property Infringement, and any provisions regarding warranty or audit. [07-7A075-1]

TAXES (JAN 2006)

Any tax the contractor may be required to collect or pay upon the sale, use or delivery of the products shall be paid by the State, and such sums shall be due and payable to the contractor upon acceptance. Any personal property taxes levied after delivery shall be paid by the State. It shall be solely the State's obligation, after payment to contractor, to challenge the applicability of any tax by negotiation with, or action against, the taxing authority. Contractor agrees to refund any tax collected, which is subsequently determined not to be proper and for which a refund has been paid to contractor by the taxing authority. In the event that the contractor fails to pay, or delays in paying, to any taxing authorities, sums paid by the State to contractor, contractor shall be liable to the State for any loss (such as the assessment of additional interest) caused by virtue of this failure or delay. Taxes based on Contractor's net income or assets shall be the sole responsibility of the contractor. [07-7A080-1]

TERMINATION DUE TO UNAVAILABILITY OF FUNDS (JAN 2006)

Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be canceled. In the event of a cancellation pursuant to this paragraph, contractor will be reimbursed the resulting unamortized, reasonably incurred, nonrecurring costs. Contractor will not be reimbursed any costs amortized beyond the initial contract term. [07-7A085-1]

THIRD PARTY BENEFICIARY (JAN 2006)

This Contract is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns, and no other person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Contract as a third party beneficiary or otherwise. [07-7A090-1]

WAIVER (JAN 2006)

The State does not waive any prior or subsequent breach of the terms of the Contract by making payments on the Contract, by failing to terminate the Contract for lack of performance, or by failing to strictly or promptly insist upon any term of the Contract. Only the Procurement Officer has actual authority to waive any of the State's rights under this Contract. Any waiver must be in writing. [07-7A095-1]

VII. TERMS AND CONDITIONS -- B. SPECIAL

ADVERTISING USE AND REPRESENTATION: CONTACT WITH STATE ENTITIES

The Contractor agrees not to refer to the award of this contract in commercial advertising in such a manner as to state or imply that the product or service provided is endorsed or preferred by the State or is considered by the State to be superior to other products or services. The State reserves the right to review and approve any commercial advertising to which the State's use of Contractor's services and/or supplies under this contract is referred. Such review shall be timely and approval shall not be unreasonably withheld.

The Contractor shall not perform any mass mailings to participants without the permission of PEBA.

At no time during the term of the contract or otherwise, shall any employee of the Contractor use any data, name, address or other information received by the Contractor or Subcontractor pursuant to this contract for any purpose other than performance of the contract.

ATTORNEYS' FEES

In the event that the State is required and shall bring suit or action to compel performance of or recover for any breach of any stipulation, covenant, term or condition of this contract, the State may seek attorneys' fees from the Contractor and the Contractor will pay to the State such attorneys' fees as the court may award. Contractor will, in all instances, bear its own attorneys' fees and expenses.

CHANGES (JAN 2006)

(1) Contract Modification. By a written order, at any time, and without notice to any surety, the Procurement Officer may, subject to all appropriate adjustments, make changes within the general scope of this contract in any one or more of the following:

- (a) drawings, designs, or specifications, if the supplies to be furnished are to be specially manufactured for the [State] in accordance therewith;
- (b) method of shipment or packing;
- (c) place of delivery;
- (d) description of services to be performed;
- (e) time of performance (i.e., hours of the day, days of the week, etc.); or,
- (f) place of performance of the services. Subparagraphs (a) to (c) apply only if supplies are furnished under this contract. Subparagraphs (d) to (f) apply only if services are performed under this contract.

(2) Adjustments of Price or Time for Performance. If any such change increases or decreases the contractor's cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, an adjustment shall be made in the contract price, the delivery schedule, or both, and the contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this contract. Failure of the parties to agree to an adjustment shall not excuse the contractor from proceeding with the contract as changed, provided that the State promptly and duly make such provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the contractor shall not be deemed to have prejudiced any claim for additional compensation, or an extension of time for completion.

(3) Time Period for Claim. Within 30 days after receipt of a written contract modification under Paragraph (1) of this clause, unless such period is extended by the Procurement Officer in writing, the contractor shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the contractor's claim unless the State is prejudiced by the delay in notification.

(4) Claim Barred After Final Payment. No claim by the contractor for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this contract.

[07-7B025-1]

CHANGE ORDERS

The procedure for change orders shall be as follows: Offerors have a duty to inform PEBA of any possible item that may affect cost in the Request for Proposal issued by PEBA. The failure to do so will result in the Contractor being responsible for any additional costs during the term of the contract due to the failure to inspect and advise. Additionally, under the applicable contract interpretation provisions, the Contractor agrees to defer to the reasonable interpretation of PEBA regarding PEBA's requirements. Also, if a requirement is presently known but not effective until some time during the contract, it should be reflected in the proposal price. If there is a new and necessary requirement, not reasonably within the scope of the specifications, and not known prior to the date the notice of the intent to award is issued, then a change order request may be submitted to PEBA. The change order should be submitted with a proposed price, and supported by sufficient detail for PEBA to evaluate the fairness of the price which shall include a comparison to the Contractor's original price proposal and a proposed implementation schedule. The Contractor bears the burden of establishing that the duty to inspect and advise does not apply or was complied with as well as the requirements of this provision for a change order are each established by clear and convincing evidence. Following submission of a change order proposal by the Contractor and a determination by PEBA that the change order is proper, the parties shall negotiate in good faith to agree on the price and schedule for the proposed change. If the negotiations are unsuccessful, PEBA will determine in good faith a reasonable price for the change order, and the Contractor may submit any difference in price for resolution pursuant to S.C. Code Section 11-35-4230. In no event will the Contractor withhold or delay services as the result of any dispute between the parties regarding a change order or any other matter.

The above requirements shall apply to any change orders, contract modifications, or other deviations to this agreement. Failure to receive the prior written and express approval of PEBA prior to implementing any changes to the requirements provided for hereunder, for which requests for extra or additional compensation are thereafter submitted by the Contractor to PEBA, shall impose no liability for payment upon PEBA and may be rejected by PEBA without recourse.

CISG (JAN 2006)

The parties expressly agree that the UN Convention on the International Sale of Goods shall not apply to this agreement. [07-7B030-1]

COMPLIANCE WITH LAWS (JAN 2006)

During the term of the contract, contractor shall comply with all applicable provisions of laws, codes, ordinances, rules, regulations, and tariffs. [07-7B035-1]

CONFERENCE – PRE-PERFORMANCE (JAN 2006)

Unless waived by the Procurement Officer, a pre-performance conference between the contractor, state and Procurement Officer shall be held at a location selected by the state within five (5) days after final award, and prior to commencement of work under the contract. The responsibilities of all parties involved will be discussed to assure a meeting of the minds of all concerned. The successful contractor or his duly authorized representative shall be required to attend at contractor's expense.

[07-7B040-1]

CONTRACT INTERPRETATION

In the event there are any disagreements between the parties with regards to the application of this contract or the requirements of PEBA arising from any interpretation of the Request for Proposal, this contract, or otherwise, Contractor agrees to defer to the reasonable interpretations of PEBA as from time to time may be made by PEBA. This provision applies to all matters including those arising from disputes concerning whether Contractor is required to provide some service or item including scope of work issues and whether particular items or services were included in the scope of work agreed to by the parties in this contract or otherwise. In summary, if both parties have a reasonable interpretation regarding application of the contract, Contractor agrees to defer to PEBA's interpretation.

The above requirements shall apply to any change orders, contract modifications, or other deviations to this agreement. Failure to receive the prior written and express approval of PEBA prior to implementing any changes to the requirements provided for hereunder, for which requests for extra or additional compensation are thereafter submitted by the Contractor to PEBA, shall impose no liability for payment upon PEBA and may be rejected by PEBA without recourse.

CONTRACT LIMITATIONS (JAN 2006)

No sales may be made pursuant to this contract for any item or service that is not expressly listed. No sales may be made pursuant to this contract after expiration of this contract. Violation of this provision may result in termination of this contract and may subject contractor to suspension or debarment. [07-7B045-1]

CONTRACT MODIFICATION

PEBA may at any time, by written order, and unilaterally, make changes within the general scope of this contract in any one or more of the following:

- (a) Description of services to be performed;
- (b) Time of performance (i.e. hours of the day, days of the week, etc.);
- (c) Place of performance of the services; and
- (d) Term of Contract.

CONTRACTOR PERSONNEL (JAN 2006)

The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. [07-7B060-1]

CONTRACTOR SOLELY RESPONSIBLE FOR PERFORMANCE/SUBCONTRACTORS

The Contractor will be solely responsible for performance under this contract. The State will rely upon the Contractor for full, complete, and satisfactory performance under the terms and conditions of this contract and for any relief, or judgment which may be requested by the State against the Contractor or which may be entered against the Contractor in any litigation which may arise under this contract or the relationship between the parties.

If the Contractor's services provided for hereunder include services, equipment or materials supplied by a subcontractor, the Contractor must act as the prime Contractor and assume full responsibility for any subcontractor's performance. The Contractor will be considered the sole point of contact with regard to all situations, including payment of all charges and the meeting of all other requirements.

CONTRACTOR'S LIABILITY INSURANCE

(a) Contractor shall procure from a company or companies lawfully authorized to do business in South Carolina and with a current A.M. Best rating of no less than A: VII, and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work and the results of that work by the contractor, his agents, representatives, employees or subcontractors. (b) Coverage shall be at least as broad as:

(1) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 12 07 covering CGL on an "occurrence" basis, including products-completed operations, personal and advertising injury, with limits no less than \$5,000,000 per occurrence. If a general aggregate limit applies, the general aggregate limit shall be twice the required occurrence limit. This contract shall be

considered to be an “insured contract” as defined in the policy. The coverage can be a combination of primary and excess coverage or self-insured and excess coverage, and the insurance shall name PEBA as an additional named insured.

(2) Auto Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limits no less than \$1,000,000 per accident for bodily injury and property damage.

(3) Worker’s Compensation: As required by the State of South Carolina, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

(b) Every applicable Using Governmental Unit, and the officers, officials, employees and volunteers of any of them, must be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor’s insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used.

(c) For any claims related to this contract, the Contractor’s insurance coverage shall be primary insurance as respects the State, every applicable Using Governmental Unit, and the officers, officials, employees and volunteers of any of them. Any insurance or self-insurance maintained by the State, every applicable Using Governmental Unit, or the officers, officials, employees and volunteers of any of them, shall be excess of the Contractor’s insurance and shall not contribute with it.

(d) Prior to commencement of the work, the Contractor shall furnish the State with signed original certificates of liability insurance (ACCORD 25) and amendatory endorsements or copies of the applicable policy language effecting coverage required by this section. All certificates are to be received and approved by the State before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor’s obligation to provide them. The State reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by this section, at any time.

(e) Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. In addition, the Contractor shall notify the State immediately upon receiving any information that any of the coverages required by this section are or will be changed, cancelled, or replaced.

(f) Contractor hereby grants to the State and every applicable Using Governmental Unit a waiver of any right to subrogation which any insurer of said Contractor may acquire against the State or applicable Using Governmental Unit by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the State or Using Governmental Unit has received a waiver of subrogation endorsement from the insurer.

(g) Any deductibles or self-insured retentions must be declared to and approved by the State. The State may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

(h) The State reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

[07-7B056-1]

CONTRACTOR'S LIABILITY INSURANCE – INFORMATION SECURITY AND PRIVACY (OCT 2014)

[ASK QUESTIONS NOW: For products providing the coverages required by this clause, the insurance market is evolving. Our research indicates that the requirements stated herein reflect commercially-available insurance products. Any offeror having concerns with any specific requirements of this clause should communicate those concerns to the procurement officer well in advance of opening.]

(a) Without limiting any other obligations or liabilities of Contractor, Contractor shall procure from a company or companies lawfully authorized to do business in South Carolina and with a current A.M. Best rating of no less than A: VII, and maintain for the duration of the contract, a policy or policies of insurance against claims which may arise from or in connection with the performance of the work and the results of that work by the contractor, his agents, representatives, employees, subcontractors or any other entity for which the contractor is legally responsible.

(b) Coverage must include claims for:

(i) information security risks, including without limitation, failure to prevent unauthorized access to, tampering with or unauthorized use of a computer system; introduction of malicious codes, computer viruses, worms, logic bombs, etc., into data or systems; or theft, damage, unauthorized disclosure, destruction, or corruption of information in whatever form;

(ii) privacy risks, including (A) failure to properly handle, manage, store, destroy, or otherwise control non-public personally identifiable information in any format; (B) loss or disclosure of confidential information; and (C) any form of invasion, infringement or interference with rights of privacy, including breach of security/privacy laws or regulations;

(iii) contractual liability for the contractor’s obligations described in the clauses titled “Indemnification - Third Party Claims – Disclosure Of Information” and “Information Use And Disclosure;” and

(iv) errors, omissions, or negligent acts in the performance, by the contractor or by any entity for which the contractor is legally responsible, of professional services included in the work.

- (c) If the work includes content for internet web sites or any publications or media advertisements, coverage must also include claims for actual or alleged infringement of intellectual property rights, invasion of privacy, as well as advertising, media and content offenses.
- (d) If the work includes software, coverage must also include claims for intellectual property infringement arising out of software and/or content (with the exception of patent infringement and misappropriation of trade secrets)
- (e) Coverage shall have limits no less than five million (\$5,000,000.00) dollars per occurrence and ten million (\$10,000,000.00) dollars aggregate.
- (f) If the insurance required by this clause is procured on a form affording "claims-made" coverage, then (i) all limits stated above as "per occurrence" shall be understood to mean "per claim" or "per occurrence," as is consistent with the terms of the "claims-made" policy; and (ii) such claims-made insurance shall provide for a retroactive date no later than the date the contract is awarded.
- (g) All terms of this clause shall survive termination of the contract and shall continue until thirty (30) days past the final completion of the work, including the performance of any warranty work. In addition, contractor shall maintain in force and effect any "claims-made" coverage for a minimum of two (2) years after final completion of all work or services to be provided hereunder. Contractor shall purchase an extended reporting period, or "tail coverage," if necessary to comply with the latter requirement.
- (h) Every applicable Using Governmental Unit, and the officers, officials, employees and volunteers of any of them, must be covered as additional insureds on the policy or policies of insurance required by this clause.
- (i) For any claims related to this contract, the insurance coverage required by this clause shall be primary insurance as respects the State, every applicable Using Governmental Unit, and the officers, officials, employees and volunteers of any of them. Any insurance or self-insurance maintained by the State, every applicable Using Governmental Unit, or the officers, officials, employees and volunteers of any of them, shall be excess of the Contractor's insurance and shall not contribute with it.
- (j) Prior to commencement of the work, the Contractor shall furnish the State with original certificates of insurance for every applicable policy effecting the coverage required by this clause. All certificates are to be received and approved by the Procurement Officer before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The State reserves the right to require complete, certified copies of all required insurance policies, including policy declarations and any endorsements required by this section, at any time.
- (k) Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. In addition, the Contractor shall notify the State immediately upon receiving any information that any of the coverages required by this clause are or will be changed, cancelled, or replaced.
- (l) Contractor hereby grants to the State and every applicable Using Governmental Unit a waiver of any right to subrogation which any insurer of said Contractor may acquire against the State or applicable Using Governmental Unit by virtue of the payment of any loss under such insurance as is required by this clause. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the State or Using Governmental Unit has received a waiver of subrogation endorsement from the insurer.
- (m) Any deductibles or self-insured retentions must be declared to and approved by the State. The State may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. [07-7B058-1]

CONTRACTOR'S OBLIGATION -- GENERAL (JAN 2006)

The contractor shall provide and pay for all materials, tools, equipment, labor and professional and non-professional services, and shall perform all other acts and supply all other things necessary, to fully and properly perform and complete the work. The contractor must act as the prime contractor and assume full responsibility for any subcontractor's performance. The contractor will be considered the sole point of contact with regard to all situations, including payment of all charges and the meeting of all other requirements. [07-7B065-1]

DEFAULT (JAN 2006)

- (a) (1) The State may, subject to paragraphs (c) and (d) of this clause, by written notice of default to the Contractor, terminate this contract in whole or in part if the Contractor fails to:
- (i) Deliver the supplies or to perform the services within the time specified in this contract or any extension;
 - (ii) Make progress, so as to endanger performance of this contract (but see paragraph (a)(2) of this clause); or
 - (iii) Perform any of the other material provisions of this contract (but see paragraph (a)(2) of this clause).

(2) The State's right to terminate this contract under subdivisions (a)(1)(ii) and (1)(iii) of this clause, may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the Procurement Officer) after receipt of the notice from the Procurement Officer specifying the failure.

(b) If the State terminates this contract in whole or in part, it may acquire, under the terms and in the manner the Procurement Officer considers appropriate, supplies or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for those supplies or services. However, the Contractor shall continue the work not terminated.

(c) Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the State in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond the control and without the fault or negligence of the Contractor.

(d) If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform, unless the subcontracted supplies or services were obtainable from other sources in sufficient time for the Contractor to meet the required delivery schedule.

(e) If this contract is terminated for default, the State may require the Contractor to transfer title and deliver to the State, as directed by the Procurement Officer, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this clause) that the Contractor has specifically produced or acquired for the terminated portion of this contract. Upon direction of the Procurement Officer, the Contractor shall also protect and preserve property in its possession in which the State has an interest.

(f) The State shall pay contract price for completed supplies delivered and accepted. The Contractor and Procurement Officer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property; if the parties fail to agree, the Procurement Officer shall set an amount subject to the Contractor's rights under the Disputes clause. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the Procurement Officer determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.

(g) If, after termination, it is determined that the Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the State, be the same as if the termination had been issued for the convenience of the State. If, in the foregoing circumstances, this contract does not contain a clause providing for termination for convenience of the State, the contract shall be adjusted to compensate for such termination and the contract modified accordingly subject to the contractor's rights under the Disputes clause.

(h) The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or under this contract.

[07-7B075-1]

ESTIMATED QUANTITY -- PURCHASES FROM OTHER SOURCES (JAN 2006)

The state may bid separately any unusual requirements or large quantities of supplies covered by this contract. [07-7B090-1]

ESTIMATED QUANTITY -- UNKNOWN (JAN 2006)

The total quantity of purchases of any individual item on the contract is not known. The State does not guarantee that the State will buy any specified item or total amount. The omission of an estimated purchase quantity does not indicate a lack of need but rather a lack of historical information. [07-7B095-1]

HIPAA COMPLIANCE/CONFIDENTIALITY

The Contractor shall keep confidential all information and material which has or will come into its possession or knowledge in connection with the performance of services under this contract; and will not release, use or disclose any such information without prior written consent of PEBA. In addition, the Contractor shall comply with all State and federal laws and regulations concerning the confidentiality of medical records, including, but not limited to, the Privacy Act of 1974, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and any federal regulations concerning the confidentiality of alcohol and drug abuse patient records. Furthermore, the Contractor shall adhere to the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and sign PEBA's Standard Business Associate Agreement, prior to award of the contract, which has been constructed in accordance with the requirements of the HIPAA Privacy and Security Rules and the requirements of the HITECH Act.

ILLEGAL IMMIGRATION (NOV. 2008)

(An overview is available at www.procurement.sc.gov) By signing your offer, you certify that you will comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws and agree to provide to the State upon request any documentation required to establish either: (a) that Title 8, Chapter 14 is inapplicable to you and your subcontractors or sub-subcontractors; or (b) that you and your subcontractors or sub-subcontractors are in compliance with Title 8, Chapter 14. Pursuant to Section 8-14-60, "A person who knowingly makes or files any false, fictitious, or fraudulent document, statement, or report pursuant to this chapter is guilty of a felony, and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both." You agree to include in any contracts with your subcontractors language requiring your subcontractors to (a) comply with the applicable requirements of Title 8, Chapter 14, and (b) include in their contracts with the sub-subcontractors language requiring the sub-subcontractors to comply with the applicable requirements of Title 8, Chapter 14. [07-7B097-1]

INDEMNIFICATION – THIRD PARTY CLAIMS (NOV 2011)

Notwithstanding any limitation in this agreement, and to the fullest extent permitted by law, Contractor shall defend and hold harmless Indemnitees for and against any and all suits or claims of any character (and all related damages, settlement payments, attorneys' fees, costs, expenses, losses or liabilities) by a third party which are attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property arising out of or in connection with the goods or services acquired hereunder or caused in whole or in part by any act or omission of contractor, its subcontractors, their employees, workmen, servants, agents, or anyone directly or indirectly employed by them or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by an Indemnitee, and whether or not such claims are made by a third party or an Indemnitee; however, if an Indemnitee's negligent act or omission is subsequently determined to be the sole proximate cause of a suit or claim, the Indemnitee shall not be entitled to indemnification hereunder. Contractor shall be given timely written notice of any suit or claim. Contractor's obligations hereunder are in no way limited by any protection afforded under workers' compensation acts, disability benefits acts, or other employee benefit acts. This clause shall not negate, abridge, or reduce any other rights or obligations of indemnity which would otherwise exist. The obligations of this paragraph shall survive termination, cancelation, or expiration of the parties' agreement. This provision shall be construed fairly and reasonably, neither strongly for nor against either party, and without regard to any clause regarding insurance. As used in this clause, "Indemnitees" means the State of South Carolina, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees. [07-7B100-2]

INDEMNIFICATION - THIRD PARTY CLAIMS – DISCLOSURE OF INFORMATION (OCT 2014)

(a) Without limitation, Contractor shall defend and hold harmless Indemnitees from and against any and all suits, claims, investigations, or fines (hereinafter "action") of any character (and all related damages, settlement payments, attorneys' fees, costs, expenses, losses or liabilities) by a third party which arise out of or in connection with a disclosure of government information (as defined in the clause titled Information Security) caused in whole or in part by any act or omission of contractor, its subcontractors at any tier, their employees, workmen, servants, agents, or anyone directly or indirectly employed by them or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by an Indemnitee, and whether or not such action is brought by a third party or an Indemnitee, but only if the act or omission constituted a failure to perform some obligation imposed by the contract or the law.

(b) Indemnitee must notify contractor in writing within a reasonable period of time after Indemnitee first receives written notice of any action. Indemnitee's failure to provide or delay in providing such notice will relieve contractor of its obligations under this clause only if and to the extent that such delay or failure materially prejudices contractor's ability to defend such action. Indemnitee must reasonably cooperate with contractor's defense of such actions (such cooperation does not require and is without waiver of an Indemnitee's attorney/client, work product, or other privilege) and, subject to Title 1, Chapter 7 of the South Carolina Code of Laws, allow contractor sole control of the defense, so long as the defense is diligently and capably prosecuted. Indemnitee may participate in contractor's defense of any action at its own expense. Contractor may not, without Indemnitee's prior written consent, settle, compromise, or consent to the entry of any judgment in any such commenced or threatened action unless such settlement, compromise or consent (i) includes an unconditional release of Indemnitee from all liability related to such commenced or threatened action, and

(ii) is solely monetary in nature and does not include a statement as to, or an admission of fault, culpability or failure to act by or on behalf of, an Indemnitee or otherwise adversely affect an Indemnitee. Indemnitee's consent is necessary for any settlement that requires Indemnitee to part with any right or make any payment or subjects Indemnitee to any injunction.

(c) Notwithstanding any other provision, contractor's obligations pursuant to this clause are without any limitation whatsoever. Contractor's obligations under this clause shall survive the termination, cancellation, rejection, or expiration of the contract. This provision shall be construed fairly and reasonably, neither strongly for nor against either party, and without regard to any clause regarding insurance.

(d) "Indemnitee" means the State of South Carolina, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees. [07-7B102-1]

INFORMATION SECURITY (OCT 2014)

(a) *Definitions.* As used in this clause—

Clearing means removal of data from an information system, its storage devices, and other peripheral devices with storage capacity, in such a way that the data may not be reconstructed using common system capabilities (i.e., through the keyboard); however, the data may be reconstructed using laboratory methods.

Compromise means disclosure of information to unauthorized persons, or a violation of the security policy of a system in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object may have occurred. Without limitation, the term "compromise" includes copying the data through covert network channels, or copying the data to unauthorized media, or disclosure of information in violation of any obligation imposed by this contract.

Data means a subset of information in an electronic format that allows it to be retrieved or transmitted.

Government information means information (i) provided to Contractor by, or generated by Contractor for, the using governmental unit, or (ii) acquired or accessed by Contractor as a result of performing the work. Without limiting the foregoing, government information includes any information that Contractor acquires or accesses by software or web-based services, which includes, without limitation, any metadata or location data. Government information excludes unrestricted information.

Information means any communication or representation of knowledge such as facts, statistics, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual.

Information system means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

Intrusion means an unauthorized act of bypassing the security mechanisms of a system.

Media means physical devices or writing surfaces including but not limited to magnetic tapes, optical disks, magnetic disks, large scale integration memory chips, and printouts (but not including display media, e.g., a computer monitor, cathode ray tube (CRT) or other (transient) visual output) onto which information is recorded, stored, or printed within an information system.

Public information means any specific information, regardless of form or format, that the State has actively and intentionally disclosed, disseminated, or made available to the public. Information is not public information solely because it may be subject to inspection pursuant to an unfulfilled public records request.

Safeguarding means measures or controls that are prescribed to protect information.

Software means any computer program acquired, accessed, or used by the Using Governmental Unit or a third party pursuant to or as a result of this contract.

Third party means any person or entity other than the Using Governmental Unit, the Contractor, or any subcontractors at any tier.

Unrestricted information means (1) public information acquired other than through performance of the work, (2) information acquired by Contractor prior to contract formation, (3) information incidental to your contract administration, such as financial, administrative, cost or pricing, or management information, and (4) any ideas, concepts, know-how, methodologies, processes, technologies, techniques which Contractor develops or learns in connection with Contractor's performance of the work.

Voice means all oral information regardless of transmission protocol.

Web-based service means a service accessed over the Internet and acquired, accessed, or used by the using governmental unit or a third party pursuant to or as a result of this contract, including without limitation, cloud services, software-as-a-service, and hosted computer services.

(b) *Safeguarding requirements and procedures.* The Contractor shall apply the following basic safeguarding requirements to protect government information from unauthorized access and disclosure:

(1) Protecting information on public computers or Web sites: Do not process government information on public computers (e.g., those available for use by the general public in kiosks, hotel business centers) or computers that do not have access control. Government information shall not be posted on Web sites that are publicly available or have access limited only by domain/Internet Protocol restriction. Such information may be posted to web pages that control access by user ID/password, user certificates, or other technical means, and that provide protection via use of security technologies. Access control may be provided by the intranet (versus the Web site itself or the application it hosts).

(2) Transmitting electronic information. Transmit email, text messages, blogs, and similar communications that contain government information using technology and processes that provide the best level of security and privacy available, given facilities, conditions, and environment.

(3) Transmitting voice and fax information. Transmit government information via voice and fax only when the sender has a reasonable assurance that access is limited to authorized recipients.

(4) Physical and electronic barriers. Protect government information by at least one physical and one electronic barrier (e.g., locked container or room, login and password) when not under direct individual control.

(5) Sanitization. At a minimum, clear information on media that have been used to process government information before external release or disposal. Overwriting is an acceptable means of clearing media in accordance with National Institute of Standards and Technology 800–88, Guidelines for Media Sanitization, at http://csrc.nist.gov/publications/nistpubs/800-88/NISTSP800-88_witherrata.pdf.

(6) Intrusion protection. Provide at a minimum the following protections against intrusions and compromise:

(i) Current and regularly updated malware protection services, e.g., anti-virus, antispyware.

(ii) Prompt application of security-relevant software upgrades, e.g., patches, service packs, and hot fixes.

(7) Transfer limitations. Transfer government information only to those subcontractors that both require the information for purposes of contract performance and provide at least the same level of security as specified in this clause.

(c) *Subcontracts*. Any reference in this clause to Contractor also includes any subcontractor at any tier. Contractor is responsible for, and shall impose by agreement the limitations and restrictions of this clause on, any other person or entity that contractor authorizes to take action related to government information.

(d) *Other contractual requirements regarding the safeguarding of information*. This clause addresses basic requirements and is subordinate to any other contract clauses or requirements to the extent that it specifically provides for enhanced safeguarding of information or information systems. [07-7B104-1]

INFORMATION SECURITY – DATA LOCATION (OCT 2014)

Contractor is prohibited from accessing, processing, transmitting, or storing government information, as defined in the clause titled Information Security, outside the continental United States. This obligation is a material requirement of this contract. [07-7B106-1]

INFORMATION USE AND DISCLOSURE (OCT 2014)

Except to the extent necessary for performance of the work, citizens should not be required to share information with those engaged by the government in order to access services provided by the government and such information should be used by those engaged by the government only to the extent necessary to perform the work acquired; accordingly, this clause addresses basic requirements for the Contractor’s use and disclosure of government information, which expressly includes, but is not limited to, information provided by or obtained from the citizens. Anonymizing information does not resolve the foregoing concern. This clause should be broadly interpreted to effectuate this intent. Absent express reference to this clause, this clause supersedes any other clause to the extent of any inconsistency unless and to the extent the other clause provides greater protection for government information.

(a) *Definitions*. The following terms shall have the meanings set out in the clause titled Information Security: “**compromise**,” “**government information**,” “**information**,” “**public information**,” “**software**,” “**third party**,” “**unrestricted information**,” and “**web-based service**.”

(b) *Legal mandates*. Contractor shall be permitted to use, disclose, or retain government information to the limited extent necessary to comply with any requirement imposed on Contractor by law. If it is necessary for Contractor to use, disclose, or retain government information in order to comply with a law, Contractor shall provide using governmental unit with written notice, including a description of the circumstances and applicable law, in advance of such use, disclosure or retention except to the extent prohibited by law.

(c) *Flow down*. Any reference in this clause to Contractor also includes any subcontractor at any tier. Contractor is responsible for, and shall impose by agreement the limitations and restrictions of this clause on, any other person or entity that contractor authorizes to take action related to government information.

(d) *Collecting Information*. Contractor must gather and maintain government information only to the minimum extent necessary to accomplish the work.

(e) *Rights, Disclosure and Use*. Except as otherwise expressly provided in this solicitation, Contractor agrees NOT to either (1) use or disclose government information, or (2) retain government information after termination or expiration of this contract. Contractor acquires no rights in any government information except the limited rights to use, disclose and retain the government information in accordance with the terms of this solicitation. To the extent reasonably necessary to perform the work, Contractor may: (i) disclose government information to persons having a need-to-know (e.g., subcontractors); and (ii) use (including access, process, transmit, and store) and maintain the government information itself. Before disclosing government information to a subcontractor or third party, Contractor shall give the using governmental unit detailed written notice regarding the reason for disclosure and the identity and location of the recipient. The notice shall be provided no later than fifteen (15) business days in advance of the disclosure.

(f) *Return*. Notwithstanding the using governmental unit’s failure to perform or the pendency of a dispute, Contractor agrees to promptly destroy and return to the using governmental unit all government information in its possession upon written request of using governmental unit (provided that, if the contract has not expired or been terminated, Contractor shall be excused from the performance of any work reasonably dependent on Contractor’s further access to such government information).

(g) *Privacy Policy & Applicable Laws*. Without limiting any other legal or contractual obligations imposed by this contract or the law, Contractor shall (a) comply with its own privacy policies and written privacy statements relevant to the work, and (b) comply with (1)

all laws applicable to Contractor regarding government information, and (2) all laws and standards identified in the clause entitled Information Use and Disclosure – Standards.

(h) *Safeguarding Information.* Without limiting any other legal or contractual obligations, Contractor agrees to implement and maintain reasonable and appropriate administrative, physical, and technical safeguards (including without limitation written policies and procedures) for protection of the security, confidentiality, and integrity of the government information in its possession. Upon request by using governmental unit, Contractor shall confirm Contractor's compliance with this section in writing signed by Contractor's most senior executive responsible for information technology security.

(i) *Actions Following Disclosure.* Immediately upon discovery of a compromise or improper use of government information, Contractor shall take such action as may be necessary to preserve forensic evidence and eliminate the cause of the compromise or improper use. As soon as practicable, but no later than twenty-four hours after discovery, Contractor shall notify using governmental unit of the compromise or improper use, including a description of the circumstances of the use or compromise. As soon as practicable after discovery, Contractor shall undertake a thorough forensic investigation of any compromise or improper use and provide the using governmental unit all information necessary to enable the using governmental unit to fully understand the nature and extent of the compromise or improper use. With regard to any compromise or improper use of government information, Contractor shall: (1) provide any notification to third parties legally required to be provided to such parties by Contractor, and if not (e.g., if legally required of the using governmental unit), Contractor shall reimburse using governmental unit for the cost of providing such notifications; (2) pay all costs and expenses for at least two years of identity theft monitoring services (including without limitation, credit monitoring) and identity theft restoration services for any such affected individuals receiving notice where such services are appropriate given the circumstances of the incident and the nature of the information compromised; (3) pay any related fines or penalties imposed on the using governmental unit by a government authority, and (4) reimburse the Using Governmental Unit all costs reasonably incurred for communications and public relations services involved in responding to the compromise or improper use.

(j) *Survival & Remedy.* All the obligations imposed by this paragraph are material. The obligations of this section shall survive termination or expiration of the contract. Without limiting any rights the using governmental unit may have, and notwithstanding any other term of this contract, Contractor agrees that using governmental unit may have no adequate remedy at law for a breach of Contractor's obligations under this clause and therefore the using governmental unit shall be entitled to pursue equitable remedies in the event of a breach of this clause. [07-7B108-1]

INFORMATION USE AND DISCLOSURE – STANDARDS (OCT 2014)

To the extent applicable:

(a) Breach of security of state agency data; notification; rights and remedies of injured parties; penalties; notification of Consumer Protection Division, S.C. Code Ann. § 1-11-490.

(b) South Carolina Financial Identity Fraud and Identity Theft Protection Act (FIFITPA), 2008 Act 190, as amended. Solely for purposes of Section 39-1-90 of the South Carolina Code of Laws, as amended, Contractor is deemed to be the owner of government information, as defined herein, and Contractor agrees that the Using Governmental Unit is not a licensee.

(c) The South Carolina Family Privacy Protection Act of 2002, S.C. Code Ann. §§ 30-2-10, *et seq.*

(d) Personal Identifying Information Privacy Protection, S.C. Code Ann. §§ 30-2-310 *et seq.*

(e) Data Breach Notification, 2014 Act No. 286, § 117.117, as revised in any future annual appropriations act. [07-7B110-1]

INTELLECTUAL PROPERTY INFRINGEMENT (JAN 2006)

(a) Without limitation and notwithstanding any provision in this agreement, Contractor shall, upon receipt of notification, defend and indemnify the State, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees against all actions, proceedings or claims of any nature (and all damages, settlement payments, attorneys' fees (including inside counsel), costs, expenses, losses or liabilities attributable thereto) by any third party asserting or involving an IP right related to an acquired item. State shall allow Contractor to defend such claim so long as the defense is diligently and capably prosecuted. State shall allow Contractor to settle such claim so long as (i) all settlement payments are made by Contractor, and (ii) the settlement imposes no non-monetary obligation upon State. State shall reasonably cooperate with Contractor's defense of such claim.

(b) In the event an injunction or order shall be obtained against State's use of any acquired item, or if in Contractor's opinion, the acquired item is likely to become the subject of a claim of infringement or violation of an IP right, Contractor shall, without in any way limiting the foregoing, and at its expense, either: (1) procure for State the right to continue to use, or have used, the acquired item, or (2) replace or modify the acquired item so that it becomes non-infringing but only if the modification or replacement does not adversely affect the specifications for the acquired item or its use by State. If neither (1) nor (2), above, is practical, State may require that Contractor remove the acquired item from State, refund to State any charges paid by State therefor, and take all steps necessary to have State released from any further liability. (c) Contractor's obligations under this paragraph do not apply to a claim to the extent (i) that the claim is caused by Contractor's compliance with specifications furnished by the State unless Contractor knew its compliance with the State's specifications would infringe an IP right, or (ii) that the claim is caused by Contractor's compliance with specifications furnished by the State if the State knowingly relied on a third party's IP right to develop the specifications provided to Contractor and failed to identify such product to Contractor. (d) As used in this paragraph, these terms are defined as follows: "IP right(s)" means a patent, copyright, trademark, trade secret, or any other proprietary right. "Acquired item(s)" means the rights, goods, or services

furnished under this agreement. "Specification(s)" means a detailed, exact statement of particulars such as a statement prescribing materials, dimensions, and quality of work. (e) Contractor's obligations under this clause shall survive the termination, cancellation, rejection, or expiration of this Agreement. [07-7B105-1]

INTERVENTION OF THIRD PARTY AND ASSISTANCE

In the event that the Contractor does not meet any single deliverable or any other requirement after three (3) attempts, including those specified in the warranty provisions herein, Contractor shall provide at its own expense, subject to prior approval by PEBA as to the identity of the entity performing the services, sufficient additional oversight and assistance as deemed appropriate by PEBA.

Furthermore, PEBA has the option to retain a third party with the financial responsibility for the third party to be paid by the Contractor. This includes, but is not limited to, quality assurance, quality control, and/or independent verification and validation services. Once deployed, these services shall remain in place for such time as PEBA, in its sole discretion, deems appropriate. These services will be at no additional expense to PEBA.

LAWSUIT NOTIFICATION AND COOPERATION

The Contractor shall notify PEBA of any class action lawsuits asserted or brought against the Contractor, which are pending or known to the Contractor as of the date of submission of the proposal as well as any asserted or brought against the Contractor after the date of submission of the proposal and prior to the termination of the contract. The Contractor also agrees to cooperate with PEBA and provide data, information, and documentation necessary to pursue litigation filed by or on behalf of PEBA against any party other than the Contractor.

LICENSES AND PERMITS (JAN 2006)

During the term of the contract, the Contractor shall be responsible for obtaining, and maintaining in good standing, all licenses (including professional licenses, if any), permits, inspections and related fees for each or any such licenses, permits and /or inspections required by the State, county, city or other government entity or unit to accomplish the work specified in this solicitation and the contract. [07-7B115-1]

OFFSHORE CONTRACTING PROHIBITED (OCT 2014)

No part of the resulting contract from this solicitation may be performed offshore of the United States by persons located offshore of the United State or by means, methods, or communications that, in whole or in part, take place offshore of the United States. [07-7B122-1]

OWNERSHIP OF MATERIAL

All data, material and documentation shared by the State with the Contractor, or generated by the Contractor or State pursuant to this contract, shall belong exclusively to the State. All data and other records entered into any database of the State or supplied to (and maintained by) the Contractor for and/or by the State are, and shall remain, the sole property of the State. Contractor shall not, without the State's written consent, copy or use such records except to carry out contracted work, and will not transfer such records to any other party not involved in the performance of this Contract, and will return all records to the State upon completion of the work hereunder.

All reports, bulletins, pamphlets, summaries, similar materials, lists of employees, retirees, or any other program, product, list, or other usable and useful information (including anything generally regarded as a "made for hire" product) shall become and remain the sole property of the State, including, but not limited to, all copyright protections and ownership and shall be released at no extra costs to the State at the termination of this contract.

Copyright or any other intellectual property right or ownership (copyright) of any preexisting items (items not specifically produced herein and which are in existence prior to the start of this contract) shall remain with the Contractor so long as the Contractor lists them not later than the start date of this contract. Failure of the Contractor to list any such materials in which the Contractor asserts a copyright will be interpreted to mean that the Contractor asserts no such ownership interests in any materials.

Any materials in which Contractor copyrighted contents are included, and subject to designation by the Contractor and agreement by the State, will bear the following notice: "Certain portions reprinted under license from _____, the copyright owner."

PRICE ADJUSTMENTS (JAN 2006)

(1) Method of Adjustment. Any adjustment in the contract price made pursuant to a clause in this contract shall be consistent with this Contract and shall be arrived at through whichever one of the following ways is the most valid approximation of the actual cost to the Contractor (including profit, if otherwise allowed):

- (a) by agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
- (b) by unit prices specified in the Contract or subsequently agreed upon;
- (c) by the costs attributable to the event or situation covered by the relevant clause, including profit if otherwise allowed, all as specified in the Contract; or subsequently agreed upon;
- (d) in such other manner as the parties may mutually agree; or,
- (e) in the absence of agreement by the parties, through a unilateral initial written determination by the Procurement Officer of the costs attributable to the event or situation covered by the clause, including profit if otherwise allowed, all as computed by the Procurement Officer in accordance with generally accepted accounting principles, subject to the provisions of Title 11, Chapter 35, Article 17 of the S.C. Code of Laws.

(2) Submission of Price or Cost Data. Upon request of the Procurement Officer, the contractor shall provide reasonably available factual information to substantiate that the price or cost offered, for any price adjustments is reasonable, consistent with the provisions of Section 11-35-1830.

[07-7B160-1]

PRICE ADJUSTMENT - LIMITED -- AFTER INITIAL TERM ONLY (JAN 2006)

Upon approval of the Procurement Officer, prices may be adjusted for any renewal term. Prices shall not be increased during the initial term. Any request for a price increase must be received by the Procurement Officer at least two hundred and seventy (270) days prior to the expiration of the applicable term and must be accompanied by sufficient documentation to justify the increase. If approved, a price increase becomes effective starting with the term beginning after approval. A price increase must be executed as a change order. Contractor may terminate this contract at the end of the then current term if a price increase request is denied. Notice of termination pursuant to this paragraph must be received by the Procurement Officer no later than fifteen (15) days after the Procurement Officer sends contractor notice rejecting the requested price increase. [07-7B165-1]

PRICE ADJUSTMENTS -- LIMITED BY CPI "ALL ITEMS" (JAN 2006)

Upon request and adequate justification, the Procurement Officer may grant a price increase up to, but not to exceed, the unadjusted percent change for the most recent 12 months for which data is available, that is not subject to revision, in the Consumer Price Index (CPI) for all urban consumers (CPI-U), "all items" for services, as determined by the Procurement Officer. The Bureau of Labor and Statistics publishes this information on the web at www.bls.gov

[07-7B170-1]

PRICING DATA -- AUDIT -- INSPECTION (JAN 2006)

[Clause Included Pursuant to Section 11-35-1830, - 2210, & -2220] (a) Cost or Pricing Data. Upon Procurement Officer's request, you shall submit cost or pricing data, as defined by 48 C.F.R. Section 2.101 (2004), prior to either (1) any award to contractor pursuant to 11-35-1530 or 11-35-1560, if the total contract price exceeds \$500,000, or (2) execution of a change order or contract modification with contractor which exceeds \$100,000. Your price, including profit or fee, shall be adjusted to exclude any significant sums by which the state finds that such price was increased because you furnished cost or pricing data that was inaccurate, incomplete, or not current as of the date agreed upon between parties. (b) Records Retention. You shall maintain your records for three years from the date of final payment, or longer if requested by the chief Procurement Officer. The state may audit your records at reasonable times and places. As used in this subparagraph (b), the term "records" means any books or records that relate to cost or pricing data submitted pursuant to this clause. In addition to the obligation stated in this subparagraph (b), you shall retain all records and allow any audits provided for by 11-35-2220(2). (c) Inspection. At reasonable times, the state may inspect any part of your place of business which is related to performance of the work. (d) Instructions Certification. When you submit data pursuant to subparagraph (a), you shall (1) do so in accordance with the instructions appearing in Table 15-2 of 48 C.F.R. Section 15.408 (2004) (adapted as necessary for the state context), and (2) submit a Certificate of Current Cost or Pricing Data, as prescribed by 48 CFR Section 15.406-2(a) (adapted as necessary for the state context). (e) Subcontracts. You shall include the above text of this clause in all of your subcontracts. (f) Nothing in this clause limits any other rights of the state.

[07-7B185-1]

PRIVACY -- WEB SERVICES (JAN 2006)

You agree that any information acquired by you about individuals or businesses that is available to you as a result of your performance of this contract shall not be retained beyond the end of the term of the contract without the express written consent of the government. Such information shall never be sold, traded, or released to another entity, including affiliates, and shall not be used for any purpose other than performing this contract. Upon request, contractor shall provide written confirmation of compliance with this clause. [07-7B195-1]

RECORDS RETENTION & RIGHT TO AUDIT

PEBA shall have the right to audit, or have audited, the books and records of the Contractor as they pertain to this contract both independent of and pursuant to S.C. Code §11-35-2220 and other applicable provisions. Such books and records shall be maintained for a period of three (3) years from the date of final payment under the contract, or longer if requested by the Procurement Officer. PEBA, or its authorized representatives, shall have full access to observe and evaluate the performance hereunder with respect to the coverages, claims, reimbursements, profits, reserves, and all other matters pertaining to the performance and experience of this Plan as provided by the Contractor. PEBA may conduct, or have conducted, audits of specific requirements, of this contract as determined necessary by PEBA.

Pertaining to all audits, Contractor shall make available access to its computer files containing history of contract performance and all other documents related to the audit. Additionally, any software used by the Contractor shall be made available for auditing purposes at no cost to PEBA. All such audits, inspections and evaluations shall be performed in such a manner that will not unreasonably delay work.

In the event of any dispute between the parties, the Contractor will preserve all documents and records pertaining to this contract or the Contractor's performance under it, and shall not destroy any such documents, records or materials.

RELATIONSHIP OF THE PARTIES (JAN 2006)

Neither party is an employee, agent, partner, or joint venturer of the other. Neither party has the right or ability to bind the other to any agreement with a third party or to incur any obligation or liability on behalf of the other party. [07-7B205-1]

TERM OF CONTRACT -- EFFECTIVE DATE / INITIAL CONTRACT PERIOD (JAN 2006)

The effective date of this contract is the first day of the Maximum Contract Period as specified on the final statement of award. The initial term of this agreement is 3 years, 0 months, 0 days from the effective date. Regardless, this contract expires no later than the last date stated on the final statement of award. [07-7B240-1]

TERM OF CONTRACT -OPTION TO RENEW (JAN 2015)

(a) At the end of the initial term, and at the end of each renewal term, this contract shall automatically renew for a period of 1 year(s), month(s), and day(s), unless contractor receives notice that the state elects not to renew the contract at least thirty (30) days prior to the date of renewal. Regardless, this contract expires no later than the last date stated on the final statement of award. (b) Contractor acknowledges that, unless excused by Section 11-57-320, if the contractor is on the then-current Iran Divestment Act List as of the date of any contract renewal, the renewal will be void ab initio. [07-78245-2]

TERM OF CONTRACT – TERMINATION BY CONTRACTOR (JAN 2006)

Contractor may terminate this contract at the end of the initial term, or any renewal term, by providing the Procurement Officer notice of its election to terminate under this clause at least two hundred and seventy (270) days prior to the expiration of the then current term. [07-7B250-1]

TERMINATION FOR CAUSE

PEBA may cancel the Contract in whole or in part for cause in case of the Contractor's breach, default, negligence or other basis for termination for cause. In such instances, PEBA will provide the Contractor with notice of the basis for the termination in advance, if advance notice does not materially affect the interests of the State, and provide the Contractor an opportunity to cure the basis for termination. In instances where notice is provided, the length of the notice shall be determined on a case by case basis. PEBA may also provide suggestions for remedying the cause but this is at the sole discretion of PEBA. Therefore, in the event of a termination for cause there is no specific duty to provide advance notice. Further, in the event of termination for cause PEBA reserves the right to purchase any or all items/services in default in the open market, charging the Contractor with any costs over and above the costs that would have applied had Contractor not been terminated. **SHOULD SUCH CHARGE BE ASSESSED, NO SUBSEQUENT PROPOSALS OF THE DEFAULTING CONTRACTOR WILL BE CONSIDERED UNTIL THE ASSESSED CHARGE HAS BEEN SATISFIED.**

Except for cause for termination of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the State in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond the control and without the fault or negligence of the Contractor.

The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or under this contract.

DUTIES UPON TERMINATION

Upon expiration or termination of the contract for any reason, the Contractor shall provide full cooperation to PEBA and any successor Contractor so that the transition to the State or a subsequent Contractor will be efficiently accomplished without any disruption in services to participants and participating employers.

Within ten (10) working days following notice of termination of the contract, the Contractor shall deliver to PEBA a detailed transition plan, including all information regarding current operations requested by PEBA, that the State, in its sole discretion, feels is necessary to effectuate a smooth transition to a successor contractor.

No later than sixty (60) days before the end of the term of the contract, the Contractor shall provide any and all materials, data, records, databases, software and all other things in the Contractor's possession to the State or the successor Contractor at no additional cost to the State, including

- (1) all participant information received during the term of the contract (including all imaged documents); and
- (2) sufficient information and technical assistance on current operations to assure that the transition can be achieved without disruption of ongoing operations.

For thirty (30) days following the termination of the contract, the Contractor shall provide any continuing support and/or information to PEBA and the successor contractor necessary to complete the transition.

In the event that the State has not secured alternate sources for the supplies and/or services under this contract at the expiration of, or following termination of the contract for any reason, the Contractor agrees to continue to perform hereunder at the then applicable prices and terms until such alternate source is obtained and any transition period required to maintain continuity has been successfully completed.

Failure to supply such data within the time periods provided herein, shall result in accrual of liquidated damages against the Contractor of \$5000 per day for each day the data is delinquent beyond the time period specified.

TERMINATION FOR CONVENIENCE -- INDEFINITE DELIVERY / INDEFINITE QUANTITY CONTRACTS (JAN 2006)

Unless the termination so provides, a termination for convenience shall not operate to terminate any purchase orders issued prior to the effective date of termination. [07-7B255-1]

TERMINATION FOR CONVENIENCE (JAN 2006)

(1) Termination. The Procurement Officer may terminate this contract in whole or in part, for the convenience of the State. The Procurement Officer shall give written notice of the termination to the contractor specifying the part of the contract terminated and when termination becomes effective.

(2) Contractor's Obligations. The contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the contractor will stop work to the extent specified. The contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Procurement Officer may direct the contractor to assign the contractor's right, title, and interest under terminated orders or subcontracts to the State. The contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

(3) Right to Supplies. The Procurement Officer may require the contractor to transfer title and deliver to the State in the manner and to the extent directed by the Procurement Officer: (a) any completed supplies; and (b) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the contractor has specifically produced or specially acquired for the performance of the terminated part of this contract. The contractor shall, upon direction of the Procurement Officer, protect and preserve property in the possession of the contractor in which the State has an interest. If the Procurement Officer does not exercise this right, the contractor shall use best efforts to sell such supplies and manufacturing materials in accordance with the standards of Uniform Commercial Code Section 2-706. Utilization of this Section in no way implies that the State has breached the contract by exercise of the Termination for Convenience Clause.

(4) Compensation. (a) The contractor shall submit a termination claim specifying the amounts due because of the termination for convenience together with cost or pricing data required by Section 11-35-1830 bearing on such claim. If the contractor fails to file a termination claim within one year from the effective date of termination, the Procurement Officer may pay the contractor, if at all, an amount set in accordance with Subparagraph (c) of this Paragraph.

(b) The Procurement Officer and the contractor may agree to a settlement and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by the State, the proceeds of any sales of supplies and manufacturing materials under Paragraph (3) of this clause, and the contract price of the work not terminated;

(c) Absent complete agreement under Subparagraph (b) of this Paragraph, the Procurement Officer shall pay the contractor the following amounts, provided payments agreed to under Subparagraph (b) shall not duplicate payments under this Subparagraph:

(i) contract prices for supplies or services accepted under the contract;

(ii) costs reasonably incurred in performing the terminated portion of the work less amounts paid or to be paid for accepted supplies or services;

(iii) reasonable costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Paragraph (2) of this clause. These costs must not include costs paid in accordance with Subparagraph (c)(ii) of this paragraph;

(iv) any other reasonable costs that have resulted from the termination. The total sum to be paid the contractor under this Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the contractor reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under Subparagraph (b) of this Paragraph, and the contract price of work not terminated.

(d) Contractor must demonstrate any costs claimed, agreed to, or established under Subparagraphs (b) and (c) of this Paragraph using its standard record keeping system, provided such system is consistent with any applicable Generally Accepted Accounting Principles.

(5) Contractor's failure to include an appropriate termination for convenience clause in any subcontract shall not (i) affect the state's right to require the termination of a subcontract, or (ii) increase the obligation of the state beyond what it would have been if the subcontract had contained an appropriate clause.

[07-7B265-1]

WARRANTY

The Contractor warrants that any services, administration, implementation, and/or related services and all other work performed in connection with this contract shall comply with all specifications and other terms and conditions herein set forth and further warrants and guarantees that all services provided hereunder, and all supplies provided hereunder, shall be in accordance with the defined standards of availability, reliability, and suitability for the use herein intended and as set forth in the Request for Proposal. Any remedies for breach of this warranty shall include, but not be limited to, those specified under Part VII, Default, and all remedies shall be considered cumulative and non-exclusive.

The Contractor shall be responsible for the full performance hereunder of any subcontractors, equipment, supplies, goods and/or services, and the State shall rely solely upon said Contractor for full, complete, and satisfactory contract performance.

This warranty shall be continuous and survives the termination of the contract.

VIII. BIDDING SCHEDULE / PRICE-BUSINESS PROPOSAL

BIDDING SCHEDULE (NOV 2007)

PRICE / FINANCIAL PROPOSAL TO BE IN ACCORDANCE WITH THE RFP INSTRUCTIONS. SEE ATTACHMENT THREE (3) OFFEROR'S PROPOSED FEES.

IX. ATTACHMENTS TO SOLICITATION

- Attachment One (1) - Important Tax Notice – Nonresidents Only
- Attachment Two (2) - Offeror’s Checklist
- Attachment Three (3) - Offeror’s Proposed Fees
- Attachment Four (4) - Subcontractor / Affiliate Information
- Attachment Five (5) - Offeror’s Proposed Sample Investment Menu
- Attachment Six (6) - Service Provider Security Assessment Questionnaire

Attachment One (1) **Important Tax Notice – Nonresidents Only**

IMPORTANT TAX NOTICE - NONRESIDENTS ONLY

Withholding Requirements for Payments to Nonresidents: Section 12-8-550 of the South Carolina Code of Laws requires persons hiring or contracting with a nonresident conducting a business or performing personal services of a temporary nature within South Carolina to withhold 2% of each payment made to the nonresident. The withholding requirement does not apply to (1) payments on purchase orders for tangible personal property when the payments are not accompanied by services to be performed in South Carolina, (2) nonresidents who are not conducting business in South Carolina, (3) nonresidents for contracts that do not exceed \$10,000 in a calendar year, or (4) payments to a nonresident who (a) registers with either the S.C. Department of Revenue or the S.C. Secretary of State and (b) submits a Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to the person letting the contract.

The withholding requirement applies to every governmental entity that uses a contract ("Using Entity"). Nonresidents should submit a separate copy of the Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to every Using Entity that makes payment to the nonresident pursuant to this solicitation. Once submitted, an affidavit is valid for all contracts between the nonresident and the Using Entity, unless the Using Entity receives notice from the Department of Revenue that the exemption from withholding has been revoked.

Section 12-8-540 requires persons making payment to a nonresident taxpayer of rentals or royalties at a rate of \$1,200.00 or more a year for the use of or for the privilege of using property in South Carolina to withhold 7% of the total of each payment made to a nonresident taxpayer who is not a corporation and 5% if the payment is made to a corporation. Contact the Department of Revenue for any applicable exceptions.

For information about other withholding requirements (e.g., employee withholding), contact the Withholding Section at the South Carolina Department of Revenue at 803-898-5383 or visit the Department’s website at www.sctax.org.

This notice is for informational purposes only. This agency does not administer and has no authority over tax issues. All registration questions should be directed to the License and Registration Section at 803-898-5872 or to the South Carolina Department of Revenue, Registration Unit, Columbia, S.C. 29214-0140. All withholding questions should be directed to the Withholding Section at 803-898-5383.



STATE OF SOUTH CAROLINA
 DEPARTMENT OF REVENUE
**NONRESIDENT TAXPAYER
 REGISTRATION AFFIDAVIT
 INCOME TAX WITHHOLDING**

I-312
 (Rev. 6/26/01)
 3323

The undersigned nonresident taxpayer on oath, being first duly sworn, hereby certifies as follows:

1. Name of Nonresident Taxpayer: _____
2. Trade Name, if applicable (Doing Business As):

3. Mailing Address: _____
4. Federal Identification Number: _____
5. _____ Hiring or Contracting with:
 Name: _____
 Address: _____
- _____ Receiving Rentals or Royalties From:
 Name: _____
 Address: _____
- _____ Beneficiary of Trusts and Estates:
 Name: _____
 Address: _____
6. I hereby certify that the above named nonresident taxpayer is currently registered with (check the appropriate box):
 The South Carolina Secretary of State or
 The South Carolina Department of Revenue
 Date of Registration: _____

7. I understand that by this registration, the above named nonresident taxpayer has agreed to be subject to the jurisdiction of the South Carolina Department of Revenue and the courts of South Carolina to determine its South Carolina tax liability, including estimated taxes, together with any related interest and penalties.

8. I understand the South Carolina Department of Revenue may revoke the withholding exemption granted under Code Sections 12-8-540 (rentals), 12-8-550 (temporarily doing business or professional services in South Carolina), and 12-8-570 (distributions to nonresident beneficiary by trusts or estates) at any time it determines that the above named nonresident taxpayer is not cooperating with the Department in the determination of its correct South Carolina tax liability.

The undersigned understands that any false statement contained herein could be punished by fine, imprisonment or both.

Recognizing that I am subject to the criminal penalties under Code Section 12-54-44 (B) (6) (a) (i), I declare that I have examined this affidavit and to the best of my knowledge and belief, it is true, correct and complete.

 Signature of Nonresident Taxpayer (Owner, Partner or Corporate Officer, when relevant) (Seal) _____
 Date

If Corporate officer state title: _____

 (Name - Please Print)

Attachment Two (2)
Offeror's Checklist

OFFEROR'S CHECKLIST
AVOID COMMON PROPOSAL MISTAKES

Review this checklist prior to submitting your proposal.
If you fail to follow this checklist, you risk having your proposal rejected.

- DO NOT INCLUDE ANY OF YOUR STANDARD CONTRACT FORMS!
- UNLESS EXPRESSLY REQUIRED, DO NOT INCLUDE ANY ADDITIONAL BOILERPLATE CONTRACT CLAUSES.
- REREAD YOUR ENTIRE PROPOSAL TO MAKE SURE YOUR PROPOSAL DOES NOT TAKE EXCEPTION TO ANY OF THE STATE'S MANDATORY REQUIREMENTS.
- MAKE SURE YOU HAVE PROPERLY MARKED ALL PROTECTED, CONFIDENTIAL, OR TRADE SECRET INFORMATION IN ACCORDANCE WITH THE INSTRUCTIONS ENTITLED: **SUBMITTING CONFIDENTIAL INFORMATION**. ***DO NOT MARK YOUR ENTIRE PROPOSAL AS CONFIDENTIAL, TRADE SECRET, OR PROTECTED! DO NOT INCLUDE A LEGEND ON THE COVER STATING THAT YOUR ENTIRE RESPONSE IS NOT TO BE RELEASED!***
- HAVE YOU PROPERLY ACKNOWLEDGED ALL AMENDMENTS? INSTRUCTIONS REGARDING HOW TO ACKNOWLEDGE AN AMENDMENT SHOULD APPEAR IN ALL AMENDMENTS ISSUED.
- MAKE SURE YOUR PROPOSAL INCLUDES A COPY OF THE SOLICITATION COVER PAGE. MAKE SURE THE COVER PAGE IS SIGNED BY A PERSON THAT IS AUTHORIZED TO CONTRACTUALLY BIND YOUR BUSINESS.
- MAKE SURE YOUR PROPOSAL INCLUDES THE NUMBER OF COPIES REQUESTED.
- CHECK TO ENSURE YOUR PROPOSAL INCLUDES EVERYTHING REQUESTED!
- IF YOU HAVE CONCERNS ABOUT THE SOLICITATION, DO NOT RAISE THOSE CONCERNS IN YOUR RESPONSE! AFTER OPENING, IT IS TOO LATE!

This checklist is included only as a reminder to help offerors avoid common mistakes.
Responsiveness will be evaluated against the solicitation, ***not*** against this checklist.
You do not need to return this checklist with your response.

Attachment Three (3)
Offeror's Proposed Fees

1. What are your start-up/implementation costs?
2. What are the factors you consider in determining future fee decreases and when they are to occur?
3. How are fees adjusted if a sizable number of Participants are added or removed from the Program?
4. What is your asset-based fee (in basis points) to provide all services outlined in this Request for Proposal? Unless noted elsewhere within Attachment Three (3), provide details of any fees not included in this amount.
5. What is your per-Participant fee (in lieu of the asset-based fee described in the above Question #5) to provide all services outlined in this Request for Proposal. Unless noted elsewhere within Attachment Three (3), provide details of any fees not included in this amount.
6. Complete the below charts:

Additional Plan-Level Fees

Service	Fee	Comments
Financial/Investment Advisory Services		
Plan Documents		
Check Processing		
Form 1099-R Processing		
Postage		
Custom Website:		
Setup/Ongoing and Software		
Employee Communication and Education:		
Customized Enrollment Materials		
Customized Communications		
Annual Notifications to All Participants		
Self-Directed Brokerage		
Other (be specific)		

Additional Participant-Level Fees

Service	Fee	Comments
Financial/Investment Advisory Services		
QDRO Qualifications		
Wire Fees		
Self-Directed Brokerage		
Other (be specific)		

Attachment Four (4)
Subcontractor / Affiliate Information

1. Provide the name of the subcontractor/affiliate and their relationship to the Offeror.
2. Provide a summary of the history of the subcontractor/affiliate to include the number of years they have been in business.
3. Specifically, what role will the subcontractor/affiliate have in the performance of the contract? Provide a detailed description of the services the subcontractor/affiliate will be performing. Include in the description the applicable section from Part IV, Information for Offerors to Submit, by listing the Roman Numeral and title (e.g., XVI. Investment Advisory Services).
4. Confirm the contract with the subcontractor/affiliate has been resolved and is ready for execution upon award.
5. Explain the process for validating and monitoring the performance of the subcontractor/affiliate.
6. List any services for which the subcontractor/affiliate will be solely responsible, and describe how the subcontractor/affiliate will be monitored and managed.
7. Describe any contingency plans in place for if the contract with the subcontractor/affiliate is terminated.
8. Describe any government action or litigation taken or pending against the subcontractor/affiliate during the most recent five (5) years.

Attachment Five (5)
Offeror's Proposed Sample Investment Menu

This Attachment is posted on the web outside of this document. Offeror shall use the Excel Spreadsheet (Attachment 5) provided when providing proposed sample investment menu.

Attachment Six (6)
Service Provider Security Assessment Questionnaire

SERVICE PROVIDER SECURITY ASSESMENT QUESTIONNAIRE

Instructions: I. Attach additional pages or documents as appropriate.

II. As used in this Questionnaire, government information shall have the meaning defined in the clause titled “Information Security.”

1. Describe your policies and procedures that ensure access to government information is limited to only those employees/Contractors who require access to perform your proposed services.
2. Describe your disaster recovery and business continuity plans.
3. What safeguards and practices do you have in place to vet employees and Contractors who have access to government information?
4. Describe and explain your security policies and procedures related to use of Contractors/sub -contractors.
5. List any certifications that you have that demonstrate that adequate security controls are in place to properly store, manage and process government information (for example, ISO or SSAE certifications). Will these certifications be in place for the duration of the contract? Will you provide the state with most recent and future audit reports related to these certifications?
6. Describe the policies, procedures and practices you have in place to provide for the physical security of your data centers and other sites where government information will be hosted, accessed or maintained.
7. Will government information be encrypted at rest? Will government information be encrypted when transmitted? Will government information be encrypted during data backups?
8. Describe safeguards that are in place to prevent unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access or disclosure of government information.
9. What controls are in place to detect security breaches? Do you log transactions and network activity? How long do you maintain these audit logs?
10. How will government information be managed after contract termination? Will government information provided to the Contractor be deleted or destroyed? When will this occur?
11. Describe your incident response policies and practices.
12. Identify any third party which will host or have access to government information.

Offeror’s response to this questionnaire includes any other information submitted with its offer regarding information or data security.

SIGNATURE OF PERSON AUTHORIZED TO REPRESENT THE ACCURACY OF THIS INFORMATION ON BEHALF OF CONTRACTOR:

By: _____
(Authorized Signature)

Its: _____
(Printed name of person signing above)

Date: _____
(Title of person signing above)

[09-9025-1]