

## **Attachment 7 – Questions and Answers**

The following questions were submitted in writing by Vendor A. (Answers follow.)

**1. How does the current provider make investment advice available to participants? Does the Program have any preference as to how advice is delivered to participants?**

A: The current provider offers investment advice online and by phone through Empower Retirement Advisory Services, as well as through its local retirement plan advisors, who are available to meet in person. The Program prefers for participants to have access to the best advice experience available.

**2. Is the Program open to alternative methods of repayment for employees who leave covered employment in lieu of loan repayment coupons such as an amortization schedule?**

A: Yes.

**3. Are Roth sources available to fund a loan?**

A: Yes.

**4. Does the Program permit 1 or 2 loans per participant? Is a unique participant with both a 401(k) and 457 account able to have 1 or 2 loans per plan type (potentially up to 4 total)?**

A: Effective January 1, 2015, the Program permits only 1 loan per unique participant, which can come from either the 401(k) or the 457 plan. Refer to Part II of Amendment One to the 401(k) plan document and Part II of Amendment One to the 457 plan document for more information on participant loans.

**5. When will the last of the 84-month certificates expire? Are these certificates issued by Empower or another provider? Please provide any additional details about how the Contractor is expected to partner with the Certificate issuer.**

A: The final 84-month certificates expire March 31, 2022. The certificates are issued by Great-West Life & Annuity Insurance Company. Great-West would continue to be the guarantor of assets. In order for a

recordkeeper to accurately administer the 84-month certificates on its platform, it would need to set up 23 separate funds for each plan (for a total of 46 funds), as well as allocate at the participant level.

**6. The current Great West Stable Value Fund indicates that a transfer-in-kind of assets is available upon termination. Is the Program interested in transferring the assets at conversion or is the new Contractor expected to record keep the Great West fund?**

**A:** Please refer to Section 5.1.5, Roman Numerals XIX and XX, of the RFP for expectations related to the current investment lineup and investment options in the Program.

**7. Please provide additional details about how the 569 payroll offices submit their payroll:**

**A:** There are 654 non-State agency employers, all with individual payroll centers, and 85 State agency employers reporting under one payroll center, for a total of 655 payroll centers.

**a. Does the Program utilize individual payroll contribution reports by independent participating employers?**

**A:** Yes; however, one payroll data interchange (PDI) file format is utilized.

**b. If so, is it possible to provide a sample payroll contribution report?**

**A:** Yes. See attachment titled PDI file format.

**c. What frequency is payroll submitted?**

**A:** The frequency varies by employer.

**d. Does the Contractor need to account for and report each participating employer in or will they roll up to a large payroll center?**

**A:** The Contractor will need to account for each participating employer.

**8. If awarded the contract, Vendor A envisions occupying Suite 115 and reimbursing the State for costs associated with that space. Can you please provide an estimated monthly or annual cost that Vendor A would pay for this space? Please include itemization for base rent, operating expenses, phone and internet (if provided) and furniture (if provided).**

**A:** PEBA is not engaged in any part of facility rentals. Each Offeror is expected to secure its own office space, to include any and all operating expenses, in compliance with Part 3, Scope of Work, Section D, Item 1.

**9. Does the Program currently utilize the current Contractor for Trustee/Custodian services? If not, who provides these services today and does the Program pay an additional fee for the services?**

**A:** The current Contractor provides for the Trustee/Custodial services. The Current contractor serves as the Trustee and Wells Fargo serves as Custodian. Wells Fargo receives no additional fees from the Program for providing the custodial service.

**10. Please provide additional details about the Custom White Label Funds.**

**a. Does the current Trustee strike the daily NAV?**

**A:** Not applicable as there are no Custom White Label funds currently in the Program lineup.

**b. Do the funds consist of individual investment options with tickers, e.g. fund of funds? Or do the funds consist of multiple levels of funds?**

**A:** Not applicable as there are no Custom White Label funds currently in the Program lineup.

**c. Please provide the underlying investments of the Custom funds with tickers.**

**A:** Not applicable as there are no Custom White Label funds currently in the Program lineup.

**11. Does the Program anticipate conducting in-person interviews with Contractors prior to Award Posting? If so, please provide potential dates of interviews.**

**A:** No.

**The following questions were submitted in writing by Vendor B. (Answers follow.)**

**12. Is the Plan Sponsor considering any changes in investment options?**

**A:** No. See response to question 6.

**13. What services are performed today by the dedicated field representatives? How many group meetings have the dedicated field representatives performed over the last 24 months?**

**A:** See Part 3, Scope of Work, Section D of the RFP for services performed. See Client Service Activity section of the Plan Statistics for group meetings by field service representatives.

**14. Is PEBA open to omnibus custody of assets?**

**A:** No. See Part 3, Scope of Work, Section A, Item 1 of the RFP.

**15. By what date will the 84 Month Certificates be fully liquidated?**

**A:** See response to question 5.

**16. Please clarify if the Contractor should retain all float or return it to the Plans?**

**A:** See Part 3, Scope of Work, Section A, Item 1 of the RFP for a description of the float that may be retained by the Contractor.

**17. How many participants are currently using managed accounts services today? Of this number how many have an account balance under \$100,000, between \$100,000 to \$250,000, between \$250,000 to \$400,000, and \$400,000 and above?**

**A:** 16,497 participants use managed accounts in the 401(k) plan, and 5,409 participants use managed accounts in the 457 plan.

<b>401(k)</b>	
<b>Account Balance</b>	<b># of Participants</b>
Under \$100,000	15,451
\$100,000-\$249,999	780
\$250,000-\$399,999	176
Over \$400,000	90
<b>Grand Total</b>	<b>16,497</b>
<b>457</b>	
<b>Account Balance</b>	<b># of Participants</b>
Under \$100,000	5,226
\$100,000-\$249,999	143
\$250,000-\$399,999	32
Over \$400,000	8
<b>Grand Total</b>	<b>5,409</b>

**18. Is there a desire for loans for participants terminating in the future to be converted to payment via ACH?**

**A:** The Program is open to this option.

The following questions were submitted in writing by Vendor C. (Answers follow.)

**19. Part 2, Paragraph 2.2 and Section XXI: What is the date of the last maturity of the 84-Month Certificate? Will the issuer of the Certificates allow another firm to recordkeep the 84-Month Certificates?**

**A:** See response to question 5. Yes.

**20. Part 2, Paragraph 2.2: Will Empower allow another firm to recordkeep the GW Stable Value Fund? If no, how should offeror account for this in pricing and proposal? Could the holdings transfer in kind to another stable value option?**

**A:** Yes. Not applicable. Yes, as referenced in the attached Current Stable Value Fund Contracts.

**21. Part 3, Section D, Paragraph 1: What is the annual rental amount for the preferred office space in Columbia, South Carolina?**

**A:** See response to question 8.

**22. If a participant transfers from one participating employer to another participating employer is the participant eligible to take a termination distribution from the plan?**

**A:** Distribution provisions are covered in Article IX of the 401(k) plan document and Article VII of the 457 plan document.

**23. SCDCP Statistics: How many active brokerage accounts are there under each plan?**

**A:** As of December 31, 2018, there were 194 active brokerage accounts under the 401(k) plan and 78 active brokerage accounts under the 457 plan.

**24. SCDCP Statistics: What is the amount of plan assets currently allocated to the Managed Accounts program?**

**A:** 401(k) plan assets allocated to managed accounts total \$409,774,710; 457(b) plan assets allocated to managed accounts total \$85,190,613.

**25. Part 5, Paragraph 5.1.5 (Offeror's Technical Proposal Response)**

**a. Section XVII, No. 1. As a best practice and to ensure the accurate and seamless transfer of the size and scope of the SC PEBA plans, would the State entertain a later targeted implementation date?**

**A:** No.

**26. Section B, Paragraph 5: As a best practice, would the State accept electronic loan repayments via ACH debit of participant's bank account as an alternative to repayment coupons / payments by check or money order.**

**A:** See response to question 18.

**The following questions were submitted in writing by Vendor D. (Answers follow.)**

### **General Questions**

**27. How many participants are receiving e-delivery?**

**A:** 90,072 participants are currently receiving e-delivery.

**28. What is the call center volume for each of the past 2 years?**

**A:** See Client Service Activity section of the Plan Statistics for Participant Service Center (call center) volume for each of the past two years.

**29. For all of the registered mutual funds included in your fund lineup, how are they traded and settled?**

**A:** Registered mutual funds are traded through the NSCC (if they are NSCC eligible) and settle T+1. If they are not NSCC eligible, then they are traded via a fax and settle T+1.

**30. Will daily prices or periodic rates be provided to the recordkeeper?**

**A:** It is expected that the recordkeeper would obtain pricing.

**31. Will fund fact sheets be provided to the recordkeeper?**

**A:** It is expected that the recordkeeper would obtain fund fact sheets.

**32. Please confirm no transfer restrictions or withdrawal charges on investment options within the Program (except for 84-Mo CD).**

**A:** Confirmed. See *Group Annuity Contract Schedule of Terms and Fees* section of the attachment titled Current Stable Value Fund Contracts.

**33. Please provide the assets and participants in a managed accounts program.**

**A:** See responses to questions 17 and 24.

**34. Please provide the latest Custodial Report Package that you current receive.**

**A:** See attachment titled Quarterly Plan Review - Q4 2018. Additional reports are currently provided on a monthly, quarterly, and annual basis that contain, by plan, an Account Summary, Participant Summary by Investment Option, Participant Summary by Investment Option and Money Source, Forfeiture/Asset Holding Account balances and activity, Loan Summary, and Transaction reports for contributions, additional deposits, additional activity, unallocated contributions/deposits, refunds, withdrawals, and fee/withdrawal charges.

**Section 2.2 Investment Structure, p. 18:**

*From the RFP:* The 84-Month Certificates (Certificates) are no longer available to receive new or reinvested assets. Unless otherwise directed by the participant, assets from maturing Certificates will be invested in the most conservative target date fund. The Contractor is responsible for any administration services related to the Certificates. Transfers shall be allowed only at maturity. Certificates may be broken only to pay benefits for qualifying events or to pay loans. No fee shall be assessed if certificates are transferred or broken under these circumstances. Withdrawals shall be made from the certificate closest to maturity.

**35. Please clarify the use of CDs to pay loans. Is this referring to repaying plan loans or non-plan loans? Or, is this referring to issuing a loan using assets invested in a CD?**

**A:** Reference is to issuing a loan using assets invested in an 84-Month Certificate.

**36. Please clarify if fees shall be assessed if certificates are transferred or broken under circumstances other than those specified (to pay benefits for qualifying events or to pay loans)? If so, what are the other circumstances that would invoke a fee?**

**A:** Certificates cannot be transferred or broken under circumstances other than those specified (i.e., to pay benefits for qualifying events or to pay loans).

**Part 3: Scope of Work, A. Custodial Trustee and Investment Management Services, p. 19:**

**37. Please provide some details regarding the current cash process (from the time it enters the process as a contribution through investment in the funds and finally as a distribution).**

**A:** The entire cash process is expected to be handled by the Contractor. Contributions are directly remitted to the Contractor.

**38. For PEBA's current funds that are not registered mutual funds, please provide CUSIPs and investment type.**

<b>A:</b>	<u>Investment Option</u>	<u>CUSIP</u>
	Fidelity Diversified International Commingled Pool	31617E844
	State Street Target Retirement Income Fund	85744W267
	State Street Target Retirement 2015 Fund	85744W374
	State Street Target Retirement 2020 Fund	85744W366
	State Street Target Retirement 2025 Fund	85744W358
	State Street Target Retirement 2030 Fund	85744W341
	State Street Target Retirement 2035 Fund	85744W333
	State Street Target Retirement 2040 Fund	85744W325
	State Street Target Retirement 2045 Fund	85744W317
	State Street Target Retirement 2050 Fund	85744W291
	State Street Target Retirement 2055 Fund	85744W283
	State Street Target Retirement 2060 Fund	85744W275

**39. How are all of the current investments traded and settled?**

**A:** See response to question 29.

**40. Who is currently serving as the custodian? What role are they currently playing in the process? Who would select the custodian going forward?**

**A:** Wells Fargo, the current Custodian, serves as Custodian solely for Plan assets residing in the Wells Fargo custodial bank account pending investment or disbursement and to hold such assets for the exclusive benefit of the Plans' participants and beneficiaries. Contractor is required to provide a Custodian as part of the RFP. See Part 3, Scope of Work, Section A of the RFP.

**41. Is PEBA requesting plan-level (not omnibus) accounts at the fund level? Or does the cash need to be segregated before and after that also?**

**For example:**

- **Can money coming into the plan be deposited into a bank account with other plan assets? Or does the incoming money need to be deposited into a bank account in the name of the plan?**

**A:** See Part 3, Scope of Work, Section A of the RFP. Plan-level accounts are expected.

- **As the money is traded and settled via NSCC, can the settlement be combined in with settlement with our other NSCC trades as long as we are using plan-level accounts at the funds?**

**A:** No.

- **Can disbursements be paid out of an account that we use for other disbursements also?**

**A:** No.

**42. Does the float on contributions and/or disbursements need to be calculated separately? Does the float go to the Contractor (as stated in Scope of Work A.1.) or to the Program (as stated in Scope of Work B. 13.)?**

**A:** Part 3, Scope of Work, Section A, Item 1 of the RFP references the float associated with the Custodial bank account. Part 3, Scope of Work, Section B, Item 13 references interest accrued on the un-cashed benefit checks held in trust.

**Part 3: Scope of Work, B. Recordkeeping and Administrative Services, p. 20:**

*From the RFP:* 4. The Contractor shall handle multiple payroll locations, transmittal methods and frequencies. Currently, the State of South Carolina Comptroller General's Office consolidates payroll for approximately eighty-five (85) participating employers and submits the remittance file and contributions electronically to the current contractor, Empower, on a semi-monthly basis. Other participating employers submit remittance files and/or contributions electronically.

**43. Are all employers willing to utilize our plan sponsor portal (EZLink) to transmit payroll and demographic data? Are any employers planning to FTP payroll/demographic data files to us on a periodic basis? If so, are they willing to use our file layouts or the standard SPARK layouts?**

**A:** Currently, smaller employers may use the employer portal to report and submit payroll contribution details and funds. Larger employers generally upload payroll files to the current Contractor using a file format required by the Program. File format provided under question 7b. All employers remit funds electronically.

**Part 3: Scope of Work, B. Recordkeeping and Administrative Services, p. 20:**

*From the RFP:* The Contractor shall provide loan repayment coupons for participants who leave covered employment and need to make loan payments via check or money order. For participants who are actively employed with a participating employer, loan payments must be payroll deducted and electronically submitted by the employer.

**44. Can PEBA please provide a copy of the coupon book and the total number of participants using the coupon book? We allow separated employees to make loan repayments via ACH. Would this be an acceptable alternative?**

**A:** PEBA does not have a copy of the coupon book or the total number of participants using the coupon book. Yes, PEBA is open to that option.



**Part 3: Scope of Work, B. Recordkeeping and Administrative Services, p. 21:**

*From the RFP:* 19. The Contractor shall provide PEBA with a report each calendar quarter that includes comprehensive details and statistics to assist in monitoring Plan-level performance. PEBA staff should have the opportunity to review these materials prior to issuance.

**45. Please provide more detail around the quarterly plan-level performance report(s). How many reports does PEBA expect? What data/statistics should appear on the report(s)? How should the data be grouped and sorted?**

**A:** See the response to question 34.

**Part 3: Scope of Work, D. Local Office Services, p. 23:**

*From the RFP:* 1. The Contractor shall have a local office in Columbia, South Carolina, preferably at 200 Arbor Lake Drive, to accommodate participant consultations and other services. The Contractor is accountable for the rent at the location of their choosing.

**46. Please elaborate on the nature and expectations of the local office in Columbia, South Carolina. Do you expect this office to be staffed full time? If so, how many FTEs are required? How many participant consultations do you expect to occur in the local office each month? Will the Contractor be expected to furnish the office with office furniture, computer equipment, etc., or will these be provided? Does the local office include a network infrastructure (switches, routers, etc.), internet access, and utilities, or would these costs be borne by the Contractor?**

**A:** Yes, the local office should be staffed full time. Current contractor provides two FTEs in the local office. See Client Service Activity section of the Plan Statistics for local office statistics for the past two years. See also response to question 8.

**Part 5: Information for Offerors to Submit, p. 25:**

The RFP has the following requirements for submittal:

- a. **One (1) original marked “original” and three (4) identical paper copies of your Technical Proposal. Please label copies, 1 of 3, 2 of 3, etc.**
- b. **One (1) original marked “original” and three (4) labeled USB flash drives containing a copy of the Offeror’s Technical Proposal Response (in MS Word, MS Excel and/or PDF format where appropriate). Please label copies, 1 of 3, 2 of 3, etc.**

**47. Can PEBA please clarify if they would like three or 4 copies?**

**A:** PEBA requires four (4) copies.

**Section 5.1.3 Table of Contents, p. 26:**

*From the RFP:* If supplemental materials are included with the Proposal, **each copy of the Proposal should 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.

**48. Can PEBA please clarify that hard copy print outs of the RFP response *and* all supplemental materials are required with each hard copy, or can appendix items/supplemental materials be identified in the Table of Contents and submitted just in electronic format?**

**A:** Supplemental materials are required with each hard copy of the proposal.

## **Terms and Conditions**

### **Vendor D Exceptions to PEBA Terms and Conditions**

**49. Vendor D would like to propose to use its Administrative Services Agreement in administering PEBA's plan. In the event PEBA requires use of the Terms and Conditions provided in the RFP ("Standard Terms"), Vendor D would request mutually agreeable changes to certain provisions of the Employer's Standard Terms. Please also refer to our sample Administrative Services Agreement for language specific to the delivery of retirement plan services that also could be incorporated into the final agreement with the Employer. Please note, however, the following.**

**A:** Refer to Section 5.1.2, Statement of Acceptance: "Please note that the State considers any proposal containing deviations, exceptions, or caveats to the RFP that have not been submitted for consideration during the question and answer phase, and adopted by PEBA, as unacceptable."

See Part 7, Section 7.4, Contract Documents & Order of Precedence, of the RFP for a description of the documents that will constitute the contract resulting from this solicitation. As reflected in Part 5, Section 5.1.2 of the RFP, any proposed deviations, exceptions, or caveats to the terms and conditions of the RFP must be submitted for consideration during the question and answer phase and will not be considered later. PEBA may consider executing a Statement of Work with the Contractor to provide additional detail and instructions for the Contractor's implementation and performance of the services described in the solicitation; however, nothing in such a Statement of Work shall be construed to supersede, alter, amend, or otherwise conflict with any terms or provisions of the contract formed as specified in Section 7.4 of the RFP. Any such proposed Statement of Work must be submitted with an Offeror's proposal, but will not form the basis of the Contract.

**50. Section 7.1, Assignment, Novation, and Change of Name, Identity or Structure: While Vendor D has not heretofore assigned any of its recordkeeping obligations, Vendor D has retained numerous third parties to assist Vendor D in fulfilling its recordkeeping responsibilities, such as statement mailing, for its entire client universe. Vendor D retains responsibility for the provision of these services.**

**A:** The use of subcontractors and affiliates to perform services outlined in the RFP is governed by Part 5, Section 5.1.4 of the RFP.

**51. Section 7.6, Disputes: Vendor D proposes that Notice by certified mail be deemed duly given upon deposit in the United States mail only if a return receipt is provided.**

**A:** Part 7, Section 7.6(2) of the RFP contemplates that service by certified mail will be made with return receipt requested: "(2) Service of Process. Contractor consents that any papers, notices, or process necessary 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 permitted by law, in or outside South Carolina." (emphasis added).

**52. Section 7.13, Payment & Interest: Based on the final compensation terms, an invoice may or may not be appropriate. Vendor D proposes that, if required, the conditions for invoices shall be as set forth in the final record of negotiations between the parties.**

**A:** PEBA is willing to negotiate with an Offeror regarding the use of invoices for payment under this contract.

**Section 7.33, Information Use and Disclosure (Feb 2015), p. 55:**

**53. For the following, would PEBA consider inserting the words in red:**

**(h) Actions Following Unintended Disclosure. Immediately upon discovery of a **verified** 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 **verified** compromise or improper use. As soon as practicable, but no later than two business days after discovery, Contractor shall notify PEBA of the compromise or improper use, including a description of the circumstances of the use or compromise.**

**A:** No.

**54. Section 7.39, Pricing Data – Audit -- Inspection: To preserve the confidentiality of information for other clients, Vendor D proposes that the right to audit or inspect be limited to information that is directly related to PEBA’s cost or pricing or directly related to the performance of work for PEBA.**

**A:** PEBA does not agree to an amendment of Part 7, Section 7.39 of the RFP. The scope of the audit rights in that section is appropriately limited in the existing language.

**55. Section 7.41, Restrictions on Presenting Terms of Use or Offering Additional Services: Because of regulatory obligations and requirements of specific funds, Vendor D cannot agree “that any terms of use regarding applicable services are void and of no effect.”**

**A:** Part 7, Section 7.41(a) of the RFP is amended to read:

“(a) Citizens, as well as public employees (acting in their individual capacity), should not be unnecessarily required to agree to or provide consent to policies or contractual terms in order to access services acquired by the government pursuant to this contract (hereinafter “applicable services”). Further, in the event it is necessary for a citizen or public employee to agree to or provide consent to any end user contract, privacy policy, or other terms of use (hereinafter “terms of use”) in connection with the use of any applicable services, the terms of use shall apply only to the extent that they are not inconsistent with this contract.”

**The following questions were submitted in writing by Vendor E. (Answers follow.)**

**56. In regards to page 44, Part 6, Award Criteria; Is there a specific weighting or point allocation for each evaluation criteria provided? If so, can the allocation of scoring or weighting be provided?**

## AWARD CRITERIA

Award will be made to the highest ranked, responsive and responsible Offeror whose offer is determined to be the most advantageous to the State. Award will be made to one Offeror.

Proposals will be evaluated by a review panel on the basis of the following criteria. Evaluation criteria are stated in relative order of importance with the first criteria being the most important. Once evaluation is complete, all responsive Offerors shall be ranked from most advantageous to least advantageous.

- A. Participating Employee and Employer Services: Information submitted in response to Part 5, Information for Offerors to Submit, Section 5.1.5, Roman Numerals IX-XV will be used to evaluate this criterion.
- B. Recordkeeping and Administrative Services: Information submitted in response to Part 5, Information for Offerors to Submit, Section 5.1.5, Roman Numerals IV – VI and VIII will be used to evaluate this criterion.
- C. Custodial Trustee and Investment Management Services: Information submitted in response to Part 5, Information for Offerors to Submit, Section 5.1.5, Roman Numerals VII, XVI, and XVIII-XXI will be used to evaluate this criterion.
- D. Offeror's Proposed Fees: Information submitted in response to Part 5, Information for Offerors to Submit, Section 5.2.1, will be used to evaluate this criterion.
- E. Organization and History: Information submitted in response to Part 5, Information for Offerors to Submit, Section 5.1.5, Roman Numerals I – III will be used to evaluate this criterion.

A: Yes, there is a specific weighting. No, the allocation of scoring or weighting will not be provided. Criteria are listed in order of importance.

**57. Please see our proposed legal exceptions for PEBA's consideration, below:**

**Vendor E has reviewed the RFP for PEBA and acknowledges all the provisions/requirements/terms under the RFP. As the current recordkeeper of the Plans for the State, Vendor E has an existing Services Agreement that has been negotiated with PEBA. Vendor E's response to this 2019 RFP is predicated on retaining essentially the same contractual structure and terms that Vendor E currently has in place with PEBA, which Vendor E intends to continue to operate by and provide services in a similar manner as performed today.**

A: Refer to Section 5.1.2, Statement of Acceptance: "Please note that the State considers any proposal containing deviations, exceptions, or caveats to the RFP that have not been submitted for consideration during the question and answer phase, and adopted by PEBA, as unacceptable."

See Part 7, Section 7.4, Contract Documents & Order of Precedence, of the RFP for a description of the documents that will constitute the contract resulting from this solicitation. As reflected in Part 5, Section 5.1.2 of the RFP, any proposed deviations, exceptions, or caveats to the terms and conditions of the RFP must be submitted for consideration during the question and answer phase and will not be considered later. PEBA may consider executing a Statement of Work with the Contractor to provide additional detail and instructions for the Contractor's implementation and performance of the services described in the solicitation; however, nothing in such a Statement of Work shall be construed to supersede, alter, amend, or otherwise conflict with any terms or provisions of the contract formed as specified in Section 7.4 of the RFP. Any such proposed Statement of Work must be submitted with an Offeror's proposal, but will not form the basis of the Contract.

**In the chart below, Vendor E has identified specific deviations, exceptions, or caveats to certain Parts of the RFP, which are disclosed here as provided in Section 5.1.2. As required by that Section, Vendor E**

declares that it fully understands, agrees to, and will comply with all of the provisions/requirements/terms in each of the Parts subject to the following:

	<b>RFP SECTION</b>	<b>Page #</b>	<b>RFP EXCEPTIONS</b>
<b>1</b>	<b>Part 7, 7.4 - Contract Documents &amp; Order of Precedence</b>	<b>45</b>	<b>Vendor E has reviewed the proposed order of precedence in the RFP and would like to discuss its reordering in a manner that more accurately represents the process and course of dealing between the parties.</b>

A: PEBA does not agree to an amendment of Part 7, Section 7.4 of the RFP. Section 7.4 fully describes the documents that will constitute the contract resulting from this solicitation. PEBA may consider executing a Statement of Work with the Contractor to provide additional detail and instructions for the Contractor’s implementation and performance of the services described in the solicitation; however, nothing in such a Statement of Work shall be construed to supersede, alter, amend, or otherwise conflict with any terms or provisions of the contract formed as specified in Section 7.4 of the RFP. Any such proposed Statement of Work must be submitted with an Offeror’s proposal.

<b>2</b>	<b>Part 7, 7.10 - No Indemnity or Defense</b>  <b>PART 7 – Terms &amp; Conditions B. Special Section 7.29 Indemnification</b>	<b>46</b>	<b>With respect to Sections 7.10 and 7.29, Vendor E can agree, however, because Vendor E acts in a directed capacity, we would seek to include a statement to the effect that Vendor E shall not be liable to the State for any damages resulting from: 1) any acts or omissions undertaken at the direction of the State or any authorized agent thereof; or 2) any direction of any third party retained by the State to provide services relating to the Plan, including but not limited to prior service providers, investment advisors, or any authorized agent thereof.</b>  <b>In addition, we would propose a statement that neither party shall be liable to the other for any indirect, special, punitive, incidental, or consequential damages (including, without limitation, loss of revenue or profit) even if the party has been advised of the possibility of such damages.</b>
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A: PEBA does not agree to an amendment of Part 7, Section 7.10 or Section 7.29 of the RFP.

<b>3</b>	<b>PART 7 – Terms &amp; Conditions B. Special Section 7.32 Information Security – Data Location</b>	<b>54</b>	<b>Vendor E is part of a global organization with sister companies in Canada and India that assist us in offering customers 24/7 around the globe support. However, we can accommodate your request to modify our standard service model in order to ensure that the recordkeeping services we provide for your plan and its participants are performed solely by U.S. personnel. We will continue to leverage our sister companies for corporate functions, such as technology development and support, without</b>
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			<b>compromising our commitment to service your plan with onshore resources.</b>
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**A:** Acknowledged.

<b>4</b>	<b>PART 7 – Terms &amp; Conditions B. Special Section 7.33 Information Use and Disclosure</b>	<b>54</b>	<b>With respect to paragraph (h), Vendor E can accept the entire provision, provided that the obligations would only apply in the event that the compromise or improper use of government information arises from Vendor E’s negligence or breach of its obligations under the Agreement.</b>
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**A:** PEBA does not agree to an amendment of Part 7, Section 7.33 of the RFP.