

**REQUEST FOR PROPOSALS FOR
ACTUARIAL SERVICES AND PENSION PLAN CONSULTING**

ISSUING OFFICE

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM ("PA SERS")**

RFP NUMBER

SERS 2015-028

DATE OF ISSUANCE

DECEMBER 1, 2015

**REQUEST FOR PROPOSALS FOR
ACTUARIAL SERVICES AND PENSION PLAN CONSULTING**

TABLE OF CONTENTS

CALENDAR OF EVENTS	iii
Part I—GENERAL INFORMATION	1
Part II—PROPOSAL REQUIREMENTS	10
Part III—CRITERIA FOR SELECTION	14
Part IV—WORK STATEMENT	19
Part V--CONTRACT TERMS AND CONDITIONS	26

APPENDIX A, PROPOSAL COVER SHEET

**APPENDIX B, TRADE SECRET/CONFIDENTIAL PROPRIETARY INFORMATION
NOTICE**

APPENDIX C, SMALL BUSINESS LETTER OF INTENT

APPENDIX D, COST MATRIX

APPENDIX E, DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

**APPENDIX F, CONTRACT FOR ACTUARIAL AND PENSION PLAN CONSULTING
SERVICES**

CALENDAR OF EVENTS

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

Activity	Responsibility	Date
Deadline to submit Questions via email to: Joshua D. Smith, [INSERT RESOURCE ACCOUNT E-MAIL HERE]	Potential Offerors	December 15, 2015
Pre-proposal Conference—N/A.	Issuing Office/Potential Offerors	N/A
Answers to Potential Offeror questions posted to the DGS website (http://www.dgsweb.state.pa.us/RTA/Search.aspx) no later than this date.	Issuing Office	December 22, 2015
Please monitor website for all communications regarding the RFP.	Potential Offerors	
Sealed proposal must be received by the Issuing Office at State Employees' Retirement System Attn: Joshua D. Smith 30 North Third Street, Suite 150 Harrisburg, Pa 17101-1716	Offerors	January 5, 2016

PART I

GENERAL INFORMATION

I-1. Purpose. This request for proposals (RFP) provides to those interested in submitting proposals for the subject procurement (“Offerors”) sufficient information to enable them to prepare and submit proposals for the State Employees’ Retirement System’s consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need for Actuarial Services and Pension Plan Consulting (“Project”).

I-2. Issuing Office. The State Employees’ Retirement system (“SERS”) (“Issuing Office”) has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be **Joshua D. Smith, 30 North Third Street, Suite 150, Harrisburg, Pa 17101, [INSERT RESOURCE ACCOUNT E-MAIL HERE]**, the Issuing Officer for this RFP. Please refer all inquiries to the Issuing Officer.

I-3. Scope. This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; requirements which Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.

I-4. Problem Statement. SERS is required by the State Employees’ Retirement Code (71 Pa. C.S. 5101, et. seq.) to have an actuary make an annual valuation of the State Employees’ Retirement Fund (“Fund”) within six months of the end of each calendar year. However, SERS’ practice is to expedite this process to occur within five months of the end of each calendar year. The actuary is to conduct an actuarial investigation and experience study of the Fund based on data, including the mortality, service, and compensation experience, during the preceding five years concerning members, annuitants and beneficiaries. The next experience study will be for the time period January 1, 2016 through December 31, 2020.

SERS is also responsible for administering the Benefits Completion Plan (BCP), established as a Qualified Governmental Excess Benefit Arrangement in accordance with Internal Revenue Code (IRC) Section 415(m), to provide benefits that would have otherwise been limited by IRC 415(b). Enabling legislation for the BCP was enacted in December 2002, an IRC Private Letter Ruling was received in December 2003, and the first payments were made in July 2004.

Although the Fund and the BCP are separate and distinct trusts, SERS employers are assessed one overall contribution rate, which is the combination of two rates. The contractor will be required to make an annual valuation for the BCP within five months of the end of the calendar year.

In addition to the above requirements, SERS expects the Contractor to accomplish all other desired services as described, which includes actuarial services and pension plan consulting services in such areas as strategic planning, benefit communications, plan design, and human resource issues. Additional detail is provided in **Part IV** of this RFP.

I-5. Type of Contract. It is proposed that if the Issuing Office enters into a contract as a result of this RFP, it will be an established price contract containing the Contract Terms and Conditions as shown in **Part V and Appendix F, Contract for Actuarial and Pension Plan Consulting Services**. The Issuing Office, in its sole discretion, may undertake negotiations with Offerors whose proposals, in the judgment of the Issuing Office, show them to be qualified, responsible and capable of performing the Project.

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

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

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

I-9. Questions & Answers. If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email (**with the subject line “RFP SERS 2015-028 Question”**) to the Issuing Officer named in **Part I, Section I-2** of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events. The Offeror shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall post the answers to the questions on the DGS website by the date stated on the Calendar of Events. An Offeror who submits a question *after* the deadline date for receipt of questions indicated on the Calendar of Events assumes the risk that its proposal will not be responsive or competitive because the Commonwealth is not able to respond before the proposal receipt date or in sufficient time for the Offeror to prepare a responsive or competitive proposal. When submitted after the deadline date for receipt of questions indicated on the Calendar of Events, the Issuing Officer *may* respond to questions of an administrative nature by directing the questioning Offeror to specific provisions in the RFP. To the extent that the Issuing Office decides to respond to a non-administrative question *after* the deadline date for receipt of questions indicated on the Calendar of Events, the answer must be provided to all Offerors through an addendum.

All questions and responses as posted on the DGS website are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-10**. Each Offeror shall be responsible to monitor the DGS website for new or revised RFP information. The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Issuing Office. The Issuing Office does not consider questions to be a protest of the specifications or of the solicitation. The required protest process for Commonwealth procurements is described on the DGS website.

I-10. Addenda to the RFP. If the Issuing Office deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to the DGS website at <http://www.dgsweb.state.pa.us/RTA/Search.aspx>. It is the Offeror's responsibility to periodically check the website for any new information or addenda to the RFP. Answers to

the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.

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

I-12. Proposals. To be considered, Offerors should submit a complete response to this RFP to the Issuing Office, using the format provided in **Part II**, providing **eight (8) paper copies [one marked "ORIGINAL"] of the Technical Submittal and one (2) paper copies of the Cost Submittal and two (2) paper copies of the Small Diverse Business (SDB) participation submittal.** In addition to the paper copies of the proposal, Offerors shall submit one **complete and exact** copy of the entire proposal (Technical, Cost and SDB submittals, along with all requested documents) on CD-ROM or Flash drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. The Offerors may not lock or protect any cells or tabs. Offerors should ensure that there is no costing information in the technical submittal. Offerors should not reiterate technical information in the cost submittal. The CD or Flash drive should clearly identify the Offeror and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet (**Appendix A, Proposal Cover Sheet**, to this RFP) and the Proposal Cover Sheet is attached to the Offeror's proposal, the requirement will be met. For this RFP, the proposal must remain valid for one hundred and twenty (120) days or until a contract is fully executed. If the Issuing Office selects the Offeror's proposal for award, the contents of the selected Offeror's proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations.

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

I-13. Small Diverse Business Information. The Issuing Office encourages participation by small diverse businesses as prime contractors, and encourages all prime contractors to make a significant commitment to use small diverse businesses as subcontractors and suppliers.

A Small Diverse Business is a DGS-verified minority-owned business, woman-owned business, veteran-owned business or service-disabled veteran-owned business.

A small business is a business in the United States which is independently owned, not dominant in its field of operation, employs no more than 100 full-time or full-time equivalent employees, and earns less than \$7 million in gross annual revenues for building design, \$20 million in gross annual revenues for sales and services and \$25 million in gross annual revenues for those businesses in the information technology sales or service business.

Questions regarding this Program can be directed to:

Department of General Services
Bureau of Diversity, Inclusion, and Small Business Opportunities
Room 611, North Office Building
Harrisburg, PA 17125
Phone: (717) 783-3119
Fax: (717) 787-7052
Email: gs-bsbo@pa.gov
Website: www.dgs.pa.gov

The Department's directory of BDISBO-verified minority, women, veteran and service disabled veteran-owned businesses can be accessed from: [Searching for Small Diverse Businesses](#)

I-14. Economy of Preparation. Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of the RFP.

I-15. Alternate Proposals. The Issuing Office has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Issuing Office will not accept alternate proposals.

I-16. Discussions for Clarification. Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Offeror responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to contract execution.

I-17. Prime Contractor Responsibilities. The contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. The Issuing Office will consider the selected Offeror to be the sole point of contact with regard to contractual matters.

I-18. Proposal Contents.

- A. Confidential Information. The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Offerors' submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below and must additionally provide a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.
- B. Commonwealth Use. All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at the Issuing Office's option. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Offeror copyright designations contained on proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
- C. Public Disclosure. After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to **Appendix B, Trade Secret/Confidential Proprietary Information Notice**, of the RFP for a Trade Secret Confidential Proprietary Information Notice Form that may be utilized as the signed written statement, if applicable. If financial capability information is submitted in response to Part II of this RFP such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

I-19. Best and Final Offers.

- A. While not required, the Issuing Office reserves the right to conduct discussions with Offerors for the purpose of obtaining "best and final offers." To obtain best and final offers from Offerors, the Issuing Office may do one or more of the following, in any combination and order:
1. Schedule oral presentations;
 2. Request revised proposals;
 3. Conduct a reverse online auction; and

4. Enter into pre-selection negotiations.
- B. The following Offerors will **not** be invited by the Issuing Office to submit a Best and Final Offer:
1. Those Offerors, which the Issuing Office has determined to be not responsible or whose proposals the Issuing Office has determined to be not responsive.
 2. Those Offerors, which the Issuing Office has determined in accordance with **Part III, Section III-5**, from the submitted and gathered financial and other information, do not possess the financial capability, experience or qualifications to assure good faith performance of the contract.
 3. Those Offerors whose score for their technical submittal of the proposal is less than 70% of the total amount of technical points allotted to the technical criterion.

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

- C. The Evaluation Criteria found in **Part III, Section III-4**, shall also be used to evaluate the Best and Final offers.
- D. Price reductions offered through any reverse online auction shall have no effect upon the Offeror's Technical Submittal. Dollar commitments to Small Diverse Businesses can be reduced only in the same percentage as the percent reduction in the total price offered through any reverse online auction or negotiations.

I-20. News Releases. Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

I-21. Restriction of Contact. From the issue date of this RFP until the Issuing Office selects a proposal for award, the Issuing Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Office to reject the offending Offeror's proposal. If the Issuing Office later discovers that the Offeror has engaged in any violations of this condition, the Issuing Office may reject the offending Offeror's proposal or rescind its contract award. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.

I-22. Issuing Office Participation. Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-22**.

I-23. Term of Contract. The term of the contract will commence on the Effective Date and will end in five (5) years from the Effective Date. The Issuing Office will fix the Effective Date after the contract has been fully executed by the selected Offeror and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror shall not start the performance of any work prior to the Effective Date of the contract and the Commonwealth shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the contract.

I-24. Offeror's Representations and Authorizations. By submitting its proposal, each Offeror understands, represents, and acknowledges that:

- A. All of the Offeror's information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in awarding the contract(s). The Commonwealth shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.
- B. The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential offeror.
- C. The Offeror has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.
- D. The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- E. The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- F. To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last **four** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.
- G. To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Commonwealth including, but not limited to,

any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.

- H. The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- I. The Offeror has not made, under separate contract with the Issuing Office, any recommendations to the Issuing Office concerning the need for the services described in its proposal or the specifications for the services described in the proposal.
- J. Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- K. Until the selected Offeror receives a fully executed and approved written contract from the Issuing Office, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform.

I-25. Notification of Selection.

- A. **Contract Negotiations.** The Issuing Office will notify all Offerors in writing of the Offeror selected for contract negotiations after the Issuing Office has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Issuing Office.
- B. **Award.** Offerors whose proposals are not selected will be notified when contract negotiations have been successfully completed and the Issuing Office has received the final negotiated contract signed by the selected Offeror.

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

I-27. RFP Protest Procedure. The RFP Protest Procedure is on the DGS website at <http://www.dgsweb.state.pa.us/comod/ProtestProcedures.doc>. A protest by a party not submitting a proposal must be filed within **seven** days after the protesting party knew or should have known of the facts giving rise to the protest, but no later than the proposal submission deadline specified in the Calendar of Events of the RFP. Offerors may file a protest within **seven** days after the protesting Offeror knew or should have known of the facts giving rise to the protest, but in no event may an Offeror file a protest later than **seven** days after the date the notice of award of the contract is posted on the DGS website. The date of filing is the date of

receipt of the protest. A protest must be filed in writing with the Issuing Office. To be timely, the protest must be received by 4:00 p.m. on the seventh day.

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

PART II

PROPOSAL REQUIREMENTS

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

- A. Technical Submittal, which shall be a response to RFP **Part II, Sections II-1 through II-8**;
- B. Small Diverse Business participation submittal, in response to RFP **Part II, Section II-9**; and
- C. Cost Submittal, in response to RFP **Part II, Section II-10**.

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

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

II-1. Statement of the Problem. State in succinct terms your understanding of the problem presented or the service required by this RFP.

II-2. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

II-3. Work Plan. Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in **Part IV** of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task. Include a Program Evaluation and Review Technique (PERT) or similar type display, time related, showing each event. If more than one approach is apparent, comment on why you chose this approach.

II-4. Prior Experience. Include experience in providing actuarial valuations and experience studies, special projects and reviews, and consulting services to large public

pension plans. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to must be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

II-5. Personnel. Include the number of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the Project. For key personnel, include the employee's name and, through a resume or similar document, the Project personnel's education and experience in actuarial services and pension plan consulting. Indicate the responsibilities each individual will have in this Project and how long each has been with your company. Identify by name any subcontractors you intend to use and the services they will perform.

II-6. Training. If appropriate, indicate recommended training of agency personnel. Include the agency personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

II-7. Financial Capability. Describe your company's financial stability and economic capability to perform the contract requirements. Provide your company's financial statements (audited, if available) for the past three fiscal years. Financial statements must include the company's Balance Sheet and Income Statement or Profit/Loss Statements. Also include a Dun & Bradstreet comprehensive report, if available. If your company is a publicly traded company, please provide a link to your financial records on your company website in lieu of providing hardcopies. The Commonwealth reserves the right to request additional information it deems necessary to evaluate an Offeror's financial capability.

II-8. Objections and Additions to Contract Terms and Conditions. The Offeror will identify which, if any, of the terms and conditions (contained in **Part V** and **Appendix F**) it would like to negotiate and what additional terms and conditions the Offeror would like to add to the contract terms and conditions. The Offeror's failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Issuing Office may consider late objections and requests for additions if to do so, in the Issuing Office's sole discretion, would be in the best interest of the Commonwealth. The Issuing Office may, in its sole discretion, accept or reject any requested changes to the contract terms and conditions (contained in **Part V**, or **Appendix F**). The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for **Part V**, or **Appendix F**. All terms and conditions must appear in one integrated contract. The Issuing Office will not accept references to the Offeror's, or any other, online guides or online terms and conditions contained in any proposal.

Regardless of any objections set out in its proposal, the Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in **Part V** and **Appendix F**. The Issuing Office will reject any proposal that is conditioned on the negotiation of the terms and conditions set out in **Part V** or **Appendix F**. **When possible the agency should indicate which terms and conditions are not negotiable.**

II-9. Small Diverse Business Participation Submittal.

- A. To receive credit for being a Small Diverse Business or for subcontracting with a Small Diverse Business (including purchasing supplies and/or services through a purchase agreement), an Offeror must include proof of Small Diverse Business qualification in the Small Diverse Business participation submittal of the proposal, as indicated below:

A Small Diverse Business verified by BDISBO as a Small Diverse Business must provide a photocopy of its DGS issued certificate entitled "Notice of Small Business Self-Certification and Small Diverse Business Verification" indicating its diverse status.

- B. In addition to the above certificate, the Offeror must include in the Small Diverse Business participation submittal of the proposal the following information:

1. **All** Offerors must include a numerical percentage which represents the total percentage of the work (as a percentage of the total cost in the Cost Submittal) to be performed by the Offeror and not by subcontractors and suppliers.
2. **All** Offerors must include a numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Offeror commits to paying to Small Diverse Businesses (SDBs) as subcontractors. To support its total percentage SDB subcontractor commitment, Offeror must also include:
 - a) The percentage and dollar amount of each subcontract commitment to a Small Diverse Business;
 - b) The name of each Small Diverse Business. The Offeror will not receive credit for stating that after the contract is awarded it will find a Small Diverse Business.
 - c) The services or supplies each Small Diverse Business will provide, including the timeframe for providing the services or supplies.
 - d) The location where each Small Diverse Business will perform services.
 - e) The timeframe for each Small Diverse Business to provide or deliver the goods or services.
 - f) A subcontract or letter of intent signed by the Offeror and the Small Diverse Business (SDB) for each SDB identified in the SDB Submittal. The subcontract or letter of intent must identify the specific work, goods or services the SDB will perform, how the work, goods or services relates to the project, and the specific timeframe during the term of the contract and any option/renewal periods when the work, goods or services will be performed or provided. In addition, the subcontract or letter of intent must identify the fixed percentage commitment and associated estimated dollar value that each SDB will receive based on the total value of the initial term of the contract as provided in the Offeror's Cost Submittal. Attached is a letter of intent template (**Appendix C, Small Business Letter of Intent**) which may be used to satisfy these requirements.

- g) The name, address and telephone number of the primary contact person for each Small Diverse Business.
- 3. The total percentages and each SDB subcontractor commitment will become contractual obligations once the contract is fully executed.
- 4. The name and telephone number of the Offeror's project (contact) person for the Small Diverse Business information.
- C. The Offeror is required to submit **two** copies of its Small Diverse Business participation submittal. The submittal shall be clearly identified as Small Diverse Business information and sealed in its own envelope, separate from the remainder of the proposal.
- D. A Small Diverse Business can be included as a subcontractor with as many prime contractors as it chooses in separate proposals.
- E. An Offeror that qualifies as a Small Diverse Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.

II-10. Cost Submittal. The information requested in this **Part II, Section II-10** shall constitute the Cost Submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separated from the technical submittal. The total proposed cost shall be broken down into the following components listed on **Appendix D, Cost Matrix**.

Offerors should **not** include any assumptions in their cost submittals. If the Offeror includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Offerors should direct in writing to the Issuing Office pursuant to **Part I, Section I-9**, of this RFP any questions about whether a cost or other component is included or applies. All Offerors will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

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

II-11. Domestic Workforce Utilization Certification. Complete and sign the Domestic Workforce Utilization Certification contained in **Appendix E, Domestic Workforce Utilization Certification**, of this RFP. Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Technical Submittal.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal must be:

- A. Timely received from an Offeror;
- B. Properly signed by the Offeror.

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

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

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

- A. **Technical:** The Issuing Office has established the weight for the Technical criterion for this RFP as 50% of the total points. Evaluation will be based upon the following in order of importance: **Personnel Qualifications, Offeror Qualifications, Understanding the Problem, Soundness of Approach.** The final Technical scores are determined by giving the maximum number of technical points available to the proposal with the highest raw technical score. The remaining proposals are rated by applying the Technical Scoring Formula set forth at the following webpage: <http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.
- B. **Cost:** The Issuing Office has established the weight for the Cost criterion for this RFP as 30% of the total points. The cost criterion is rated by giving the proposal with the lowest total cost the maximum number of Cost points available. The remaining proposals are rated by applying the Cost Formula set forth at the following webpage: <http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

C. Small Diverse Business Participation:

BDISBO has established the weight for the Small Diverse Business (SDB) participation criterion for this RFP as 20% of the total points. Each SDB participation submittal will be rated for its approach to enhancing the utilization of SDBs in accordance with the below-listed priority ranking and subject to the following requirements:

1. A business submitting a proposal as a prime contractor must perform 60% of the total contract value to receive points for this criterion under any priority ranking.
2. To receive credit for an SDB subcontracting commitment, the SDB subcontractor must perform at least fifty percent (50%) of the work subcontracted to it.
3. A significant subcontracting commitment is a minimum of five percent (5%) of the total contract value.
4. A subcontracting commitment less than five percent (5%) of the total contract value is considered nominal and will receive reduced or no additional SDB points depending on the priority ranking.

Priority Rank 1: Proposals submitted by SDBs as prime offerors will receive 150 points. In addition, SDB prime offerors that have significant subcontracting commitments to additional SDBs may receive up to an additional 50 points (200 points total available).

Subcontracting commitments to additional SDBs are evaluated based on the proposal offering the highest total percentage SDB subcontracting commitment. All other Offerors will be scored in proportion to the highest total percentage SDB subcontracting commitment within this ranking. *See formula below.*

Priority Rank 2: Proposals submitted by SDBs as prime contractors, with no or nominal subcontracting commitments to additional SDBs, will receive 150 points.

Priority Rank 3: Proposals submitted by non-small diverse businesses as prime contractors, with significant subcontracting commitments to SDBs, will receive up to 100 points. Proposals submitted with nominal subcontracting commitments to SDBs will receive points equal to the percentage level of their total SDB subcontracting commitment.

SDB subcontracting commitments are evaluated based on the proposal offering the highest total percentage SDB subcontracting commitment. All other Offerors will be scored in proportion to the highest total percentage SDB subcontracting commitment within this ranking. *See formula below.*

Priority Rank 4: Proposals by non-small diverse businesses as prime contractors with no SDB subcontracting commitments shall receive no points under this criterion.

To the extent that there are multiple SDB Participation submittals in Priority Rank 1 and/or Priority Rank 3 that offer significant subcontracting commitments to SDBs, the proposal offering the highest total percentage SDB subcontracting commitment shall receive the highest score (or additional points) available in that Priority Rank category and the other proposal(s) in that category shall be scored in proportion to the highest total percentage SDB subcontracting commitment. Proportional scoring is determined by applying the following formula:

$$\frac{\text{SDB \% Being Scored}}{\text{Highest \% SDB Commitment}} \times \frac{\text{Points/Additional Points Available}^*}{\text{Points Available}^*} = \frac{\text{Awarded/Additional SDB Points}}{\text{Points Available}^*}$$

Priority Rank 1 = 50 Additional Points Available

Priority Rank 3 = 100 Total Points Available

Please refer to the following webpage for an illustrative chart which shows SDB scoring based on a hypothetical situation in which the Commonwealth receives proposals for each Priority Rank:

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

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

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

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

Offerors who seek consideration for this criterion must submit in hardcopy the signed Domestic Workforce Utilization Certification Form in the same sealed envelope with the Technical Submittal. The certification will be included as a contractual obligation when the contract is executed.

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

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

- A. The total score for the technical submittal of the Offeror's proposal must be greater than or equal to **70%** of the **available technical points**; and
- B. The Offeror's financial information must demonstrate that the Offeror possesses the financial capability to assure good faith performance of the contract. The Issuing Office will review the Offeror's previous three financial statements, any additional information received from the Offeror, and any other publicly-available financial information concerning the Offeror, and assess each Offeror's financial capacity based on calculating and analyzing various financial ratios, and comparison with industry standards and trends.

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

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

III-6. Final Ranking and Award.

- A. After any best and final offer process conducted, the Issuing Office will combine the evaluation committee's final technical scores, BDISBO's final small diverse business participation scores, the final cost scores, and (when applicable) the domestic workforce utilization scores, in accordance with the relative weights assigned to these areas as set forth in this Part.
- B. The Issuing Office will rank responsible offerors according to the total overall score assigned to each, in descending order.
- C. The Issuing Office must select for contract negotiations the offeror with the highest overall score; PROVIDED, HOWEVER, THAT AN AWARD WILL NOT BE MADE TO AN OFFEROR WHOSE PROPOSAL RECEIVED THE LOWEST TECHNICAL SCORE AND HAD THE LOWEST COST SCORE OF THE RESPONSIVE PROPOSALS RECEIVED FROM RESPONSIBLE OFFERORS. IN THE EVENT SUCH A PROPOSAL ACHIEVES THE HIGHEST OVERALL SCORE, IT SHALL BE

ELIMINATED FROM CONSIDERATION AND AWARD SHALL BE MADE TO THE OFFEROR WITH THE NEXT HIGHEST OVERALL SCORE.

- D.** The Issuing Office has the discretion to reject all proposals or cancel the request for proposals, at any time prior to the time a contract is fully executed, when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the contract file.

PART IV

WORK STATEMENT

IV-1. Objectives.

a. **General.**

i) **SERS Background**

SERS was created in 1924 to administer the pension plan for employees of the Commonwealth. On March 1, 1974, the State legislature passed Act 31 that created an independent Board to operate SERS. The Executive Director of SERS reports directly to the State Employees' Retirement Board.

The Board is comprised of eleven members: six members appointed by the Governor, one of whom is an annuitant of SERS, for terms of four years, subject to confirmation by the Senate; the State Treasurer who is a member by virtue of his/her office; two Senators; and two members of the House of Representatives. The Board and the SERS staff are responsible for the investment of all assets of the Fund; maintenance of records on all members of SERS (both active and retired); payments of retirement, disability, and death benefits; determining the required level of funding to maintain a financially sound pension fund; providing information to SERS members through Retirement Counselors in seven field offices of SERS located in Harrisburg, Wilkes-Barre, State College, Montoursville, Seneca, Bensalem, and Pittsburgh; reporting and disclosing pertinent information to members, the Legislature, other government entities, and the public; and participating in both national and local organizations concerned with the furtherance of sound public pension policy.

SERS is a mandatory, contributory, defined benefit plan. It has approximately 104,898 active members, 122,249 retired members and beneficiaries, and 6,800 inactive members. As of December 31, 2014, SERS had net assets available for benefits of approximately \$27.15 billion.

The membership consists of employees in the executive, judicial, and legislative branches of State government plus employees of various independent agencies. Most employees contribute to the retirement plan at the rate of either 6.25% or 9.3% of their gross compensation. Employers contribute to the Fund a percentage of the gross payroll. SERS' actuary each year establishes the percentage required to meet the normal cost and to amortize SERS' unfunded liabilities over legislatively mandated liquidation periods. The employer rate is subject to approval by the State Employees' Retirement Board. The Fund's composite employer contribution rate for the current 2014-2015 fiscal year is 20.5%

SERS members are eligible to participate in the Benefits Completion Plan (BCP) if the member is receiving a benefit payment from the Fund that

would otherwise be limited by IRC Section 415(b). There are a total of twenty four (24) members in the BCP as of December 31, 2014, with plan assets totaling \$4.87 million. The BCP's employer contribution rate for the 2014-15 fiscal year is .03% bringing the total composite employer contribution rate for the 2014-15 fiscal year to 20.53%.

SERS' current actuarial assumptions are included in the most recent actuarial valuations for the Fund and the BCP.

The annual financial statements of SERS are prepared in accordance with applicable accounting principles and standards and are audited annually by an independent certified public accountant. Additionally, a copy of the latest Comprehensive Annual Financial Report (CAFR) may be found on the SERS website, www.sers.pa.gov, under the "Newsroom/Member Materials" headings.

IV-2. Requirements.

A. General Requirements

1. SERS will furnish the contractor with such data or statistical information as may be determined to be necessary for the performance of the work described herein and which is available in the records and files of SERS. The majority of the data will be on magnetic tape or by FTP electronic transfer.
2. The contractor will be expected to treat all information as confidential.
3. The contractor shall provide a means by which any change in its staff shall be effected with a minimum of disruption to the services provided to SERS.
4. The contractor shall channel all requests, reports and all other communication in connection with this contract through SERS' Executive Director or a designee.
5. The professional actuarial services for SERS shall be performed under the direct supervision of a member of the contractor's firm who meets or exceeds this contract's requirements for supervising actuary. SERS reserves the right to reject the contractor's choice of supervising actuary and may terminate the contract if a supervising actuary acceptable to the Board cannot be made available by the contractor.
6. The contractor shall document ideas and issues raised in discussions and meetings. All actuarial certificates on final reports, actuarial costs determinations, presentations of assumptions and similar technical documentation from the contractor must be approved and signed by the supervising actuary.
7. The supervising actuary and/or support staff shall be readily accessible to the SERS Executive Director or a designee by telephone within one working day, and will be available for meetings within five working days of request.
8. The supervising actuary and/or support staff shall be available for periodic educational discussions with the SERS Board and/or SERS staff members.

9. The actuarial services typically require three visits to SERS offices in Harrisburg, Pennsylvania per year, including two meetings to review the annual actuarial valuation and one meeting to meet with the Public Employee Retirement Commission.

B. Actuarial Consulting Services

1. Provide actuarial consultation and advisory services on any technical, policy, legal or administrative issues arising during the course of operations, presented through meetings, routine telephone calls and in written correspondence.
2. Make recommendations to SERS relative to possible changes or improvements in the financing structure of SERS and to give effect to new developments in the retirement industry.
3. Provide recommendations to SERS on the reasonableness of economic assumptions such as inflation, investment return, and interest rates used to discount pension liabilities.
4. Give consultation and advisory services on policy and administrative issues of proposed legislation, and perform certain work in the determination of the costs of this proposed legislation.
5. Assist in the preparation of proposed changes to the Retirement Code and SERS regulations.
6. Develop and provide various tables and factors required by SERS including but not limited to mortality tables, present value factors, option factors, and survivor benefit factors.
7. Provide support and consultation in the preparation of SERS' Strategic plan.
8. Appear at meetings and hearings for discussion of actuarial standards and/or the principles used in the projection of the funding requirement and in the determination of costs of new or revised legislation.
9. Assist in establishing specifications for SERS data files. Periodically review the form and content of data files maintained by SERS and make recommendations for modifications, additions or deletions that will insure the maintenance of the full range of data needed for legislative amendment, actuarial studies, experience study, and valuations.
10. Analyze retirement legislation proposed and/or enacted by the U.S. Congress and prepare and furnish written reports to the SERS Board. Keep SERS advised on developments in federal legislation and/or regulations regarding financing, benefits, vesting, fiduciary responsibility, disclosure, tax qualification, and other issues of concern to SERS.
11. Keep SERS advised on pension accounting standards (e.g. GASB standards).
12. Calculate reserve transfers for special classes as requested by SERS.
13. Certify optional periodic benefits as requested under an Option 4 benefit election.
14. Provide consultation on enhancing, or developing new, interactive communications programs and customizing benefits communications between SERS and its membership.

15. Provide other consulting support, as needed, to assist SERS in managing its benefit programs.

C. Experience Study Services

1. Performance of an actuarial experience study and evaluation of the Fund, which will cover the period January 1, 2016 through December 31, 2020. As previously noted, the contractor will assist in the establishment of appropriate specifications for SERS files, to efficiently obtain the required data for that report.
2. A report of the experience study shall be delivered to SERS, by the contractor, no later than January 15, 2021. The report will also be provided in electronic media. Current SERS practices are to submit data for the Experience Study on an on-going basis over the five year period, as opposed to submitting all relevant data at the end of the five years. This investment, financial and member demographic data is submitted on quarterly and annual intervals.
3. The report shall describe the reasons for the changes in the contribution rates from year to year, based on a comparison of actual changes in liabilities with expected changes according to each of the various actuarial assumptions.
4. The contractor's analysis of non-economic assumptions in the experience study shall include but not be limited to rates of terminations, service retirement rates, pay increase assumptions, mortality before and after retirement, disability, and termination for disability.
5. The report shall include assumption ranges and recommendations for the succeeding five years.
6. The report shall contain a glossary of terms and sufficient explanatory text to permit reasonable understanding of the actuarial assumptions, cost methods and conclusions by recipients of the report, i.e., legislators, government administrators, SERS Board members, etc.

D. Valuation Services

1. Actuarial valuations for the Fund and the BCP shall be performed each year. Reports for these valuations shall be delivered to SERS by the contractor, no later than eight (8) weeks after SERS has either delivered complete data necessary to the valuation to the contractor or eight (8) weeks after the SERS Board has adopted the assumptions for the valuation. The valuation reports will also be provided in electronic media. When the experience study is performed, the valuation reports shall be due eight (8) weeks after the SERS Board has received the experience study report and adopted the assumptions for the valuation.
2. When the experience study is performed, if it results in the adoption of any assumption which differs from those used for the prior valuation, the contractor shall produce valuation results using both the old and new assumptions.
3. If an experience study is not performed, the contractor shall use the same actuarial assumptions that were used for the prior valuation. If analysis of

the current data during the performance of the valuations indicates any material variations from those assumptions, the contractor shall be expected to discuss the variations in the valuation report and present an estimate of the effect on the normal cost and/or on the unfunded actuarial accrued liability of the SERS Board.

4. Valuation reports for the Fund shall include a recommendation as to the "going concern" contribution rates, as well as supplemental calculations computed on a "termination" basis. Valuations shall also include, but not be limited to, the necessary calculations and reports to satisfy Governmental Accounting Standards Board (GASB) statements 67 and 68 (or successor accounting and financial reporting standards).
5. Valuation reports for the Fund shall contain a glossary of terms and sufficient explanatory text to permit reasonable understanding of the actuarial assumptions, cost methods and conclusions by recipients of the reports, i.e., legislators, government administrators, SERS Board members, etc. This shall include, but not be limited to, a summary of the plan, a description of actuarial assumptions and cost methods, graphic display of age groups and service matrices for active members, and graphic display of retired lives by age group and types of benefits.
6. Valuation reports for the BCP shall contain, but not be limited to, an explanation of the benefits payable from the BCP, accompanied by examples, actuarial assumptions, fund status, determination of recommended employer contribution rate, projected fund balances, and an analysis of current and potential participants.

E. Emergency Preparedness.

To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

1. Describe how you anticipate such a crisis will impact your operations.
2. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
 - a) Employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)
 - b) Identified essential business functions and key employees (within your organization) necessary to carry them out
 - c) Contingency plans for:

- i.) How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
- ii.) How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
- d) How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
- e) How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

IV-3. Contract Requirements—Small Diverse Business Participation.

All contracts containing Small Diverse Business participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to Small Diverse Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BDISBO. All contracts containing Small Diverse Business participation must include a provision requiring Small Diverse Business subcontractors to perform at least **50%** of the subcontracted work.

The selected contractor's commitments to Small Diverse Businesses made at the time of proposal submittal or contract negotiation shall, to the extent so provided in the commitment, be maintained throughout the term of the contract and through any renewal or extension of the contract. Any proposed change must be submitted to BDISBO, which will make a recommendation to the Contracting Officer regarding a course of action.

If a contract is assigned to another contractor, the new contractor must maintain the Small Diverse Business participation of the original contract.

The selected contractor shall complete the Prime Contractor's Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BDISBO within **10** workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small Diverse Business subcontractors and suppliers. Also, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Small Diverse Business participation points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF SMALL DIVERSE BUSINESS STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR SMALL DIVERSE BUSINESS UTILIZATION.

PART V

CONTRACT TERMS AND CONDITIONS

V.1 CONTRACT-001.1a Contract Terms and Conditions (Nov 30 2006)

The Contract with the selected offeror (who shall become the "Contractor") shall include the following terms and conditions:

V.2 CONTRACT-002.1d Term of Contract – Contract (May 2012)

The initial term of the Contract shall be 05 year(s) and 00 month(s).

The term of the Contract shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Contract, subject to the other provisions of the Contract.

The Effective Date shall be: a) the Effective Date printed on the Contract after the Contract has been fully executed by the Contractor and the Commonwealth (signed and approved as required by Commonwealth contracting procedures) or b) the "Valid from" date printed on the Contract, whichever is later.

V.3 CONTRACT-002.2a Renewal of Contract Term (Nov 30 2006)

The Contract may be renewed for a maximum of 0 additional 0 year term(s), so long as Commonwealth provides written notice to Contractor of its intention to extend the Contract by letter prior to the expiration of the term of the agreement, or any extension thereof. The Commonwealth may exercise the renewal as individual year or multiple year term(s). Any renewal will be under the same terms, covenants and conditions. No further document is required to be executed to renew the term of the contract.

V.4 CONTRACT-002.3 Extension of Contract Term (Nov 30 2006)

The Commonwealth reserves the right, upon notice to the Contractor, to extend any single term of the Contract for up to three (3) months upon the same terms and conditions.

V.5 CONTRACT-003.1b Signatures – Contract (July 2015)

The Contract shall not be a legally binding contract until the fully-executed Contract has been sent to the Contractor.

No Commonwealth employee has the authority to verbally direct the commencement of any work or delivery of any supply under this Contract prior to the Effective Date. The Contractor hereby waives any claim or cause of action for any service or work performed prior to the Effective Date. The Contract may be signed in counterparts. The Contractor shall sign the Contract and return it to the Commonwealth. After the Contract is signed by the Contractor and returned to the Commonwealth, it will be processed for Commonwealth signatures and

approvals. When the Contract has been signed and approved by the Commonwealth as required by Commonwealth contracting procedures, the Commonwealth shall create a Contract output form which shall: 1) clearly indicate "Fully executed" at the top of the form; 2) include a printed Effective Date and 3) include the printed name of the Purchasing Agent indicating that the document has been electronically signed and approved by the Commonwealth. Until the Contractor receives the Contract output form with this information on the Contract output form, there is no legally binding contract between the parties.

The fully-executed Contract may be sent to the Contractor electronically or through facsimile equipment. The electronic transmission of the Contract shall require acknowledgement of receipt of the transmission by the Contractor. Receipt of the electronic or facsimile transmission of the Contract shall constitute receipt of the fully-executed Contract.

The Commonwealth and the Contractor specifically agree as follows:

- a. No handwritten signature shall be required in order for the Contract to be legally enforceable.
- b. The parties agree that no writing shall be required in order to make the Contract legally binding, notwithstanding contrary requirements in any law. The parties hereby agree not to contest the validity or enforceability of a genuine Contract or acknowledgement issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements be in writing and signed by the party bound thereby. Any genuine Contract or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of a genuine Contract or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Contract or acknowledgement were not in writing or signed by the parties. A Contract or acknowledgment shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.
- c. Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

V.6 CONTRACT-004.1a Definitions (Oct 2013)

As used in this Contract, these words shall have the following meanings:

- a. Agency: The department, board, commission or other agency of the Commonwealth of Pennsylvania listed as the Purchasing Agency. If a COSTARS entity or external procurement activity has issued an order against this contract, that entity shall also be identified as "Agency".
- b. Contracting Officer: The person authorized to administer this Contract for the Commonwealth and to make written determinations with respect to the Contract.
- c. Days: Unless specifically indicated otherwise, days mean calendar days.

d. Developed Works or Developed Materials: All documents, sketches, drawings, designs, works, papers, files, reports, computer programs, computer documentation, data, records, software, samples or any other tangible material without limitation authored or prepared by Contractor as the work product covered in the scope of work for the Project.

e. Documentation: All materials required to support and convey information about the services required by this Contract. It includes, but is not necessarily restricted to, written reports and analyses, diagrams, maps, logical and physical designs, system designs, computer programs, flow charts, disks, and/or other machine-readable storage media.

f. Services: All Contractor activity necessary to satisfy the Contract.

V.7 CONTRACT-005.1b Agency Purchase Orders (July 2015)

The Agency may issue Purchase Orders against the Contract. These orders constitute the Contractor's authority to make delivery. All Purchase Orders received by the Contractor up to and including the expiration date of the Contract are acceptable and must be performed in accordance with the Contract. Each Purchase Order will be deemed to incorporate the terms and conditions set forth in the Contract.

Purchase Orders may be electronically signed by the Agency. The electronically-printed name of the purchaser represents the signature of that individual who has the authority, on behalf of the Commonwealth, to authorize the Contractor to proceed.

Purchase Orders may be issued electronically or through facsimile equipment. The electronic transmission of a purchase order shall require acknowledgement of receipt of the transmission by the Contractor. Receipt of the electronic or facsimile transmission of the Purchase Order shall constitute receipt of an order. Orders received by the Contractor after 4:00 p.m. will be considered received the following business day.

The Commonwealth and the Contractor specifically agree as follows:

a. No handwritten signature shall be required in order for the Contract or Purchase Order to be legally enforceable.

b. The parties agree that no writing shall be required in order to make the Purchase Order legally binding. The parties hereby agree not to contest the validity or enforceability of a Purchase Order or acknowledgement issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements be in writing and signed by the party bound thereby. Any Purchase Order or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of Purchase Orders or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the Purchase Order or acknowledgement were not in writing or signed by the parties. A Purchase Order or

acknowledgment shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.

c. Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

Purchase Orders under ten thousand dollars (\$10,000) in total amount may also be made in person or by telephone using a Commonwealth Purchasing Card. When an order is placed by telephone, the Commonwealth agency shall provide the agency name, employee name, credit card number, and expiration date of the card. Contractors agree to accept payment through the use of the Commonwealth Purchasing Card.

V.8 CONTRACT-006.1 Independent Prime Contractor (Oct 2006)

In performing its obligations under the Contract, the Contractor will act as an independent contractor and not as an employee or agent of the Commonwealth. The Contractor will be responsible for all services in this Contract whether or not Contractor provides them directly. Further, the Contractor is the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

V.9 CONTRACT-007.01b Delivery of Services (Nov 30 2006)

The Contractor shall proceed with all due diligence in the performance of the services with qualified personnel, in accordance with the completion criteria set forth in the Contract.

V.10 CONTRACT-007.02 Estimated Quantities (Nov 30 2006)

It shall be understood and agreed that any quantities listed in the Contract are estimated only and may be increased or decreased in accordance with the actual requirements of the Commonwealth and that the Commonwealth in accepting any bid or portion thereof, contracts only and agrees to purchase only the materials and services in such quantities as represent the actual requirements of the Commonwealth. The Commonwealth reserves the right to purchase materials and services covered under the Contract through a separate competitive procurement procedure, whenever Commonwealth deems it to be in its best interest.

V.11 CONTRACT-008.1a Warranty (Oct 2006)

The Contractor warrants that all items furnished and all services performed by the Contractor, its agents and subcontractors shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Contract, all items are warranted for a period of one year following delivery by the Contractor and acceptance by the Commonwealth. The Contractor shall repair, replace or otherwise correct any problem with the delivered item. When an item is replaced, it shall be replaced with an item of equivalent or superior quality without any additional cost to the Commonwealth.

V.12 CONTRACT-009.1c Patent, Copyright, and Trademark Indemnity (Oct 2013)

The Contractor warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of the Contract which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law; or b) any copyrighted matter in any report, document or other material provided to the Commonwealth under the contract.

The Contractor shall defend any suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of the Contract.

This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same.

As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action. If information and assistance are furnished by the Commonwealth at the Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written authorization.

The Contractor shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the Contractor or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of the Contract.

If any of the products provided by the Contractor in such suit or proceeding are held to constitute infringement and the use is enjoined, the Contractor shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing. If the Contractor is unable to do any of the preceding, the Contractor agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of the Commonwealth, only those items of equipment or software which are held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase of the product, less straight line depreciation; 2) any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance paid for. The obligations of the Contractor under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Contractor without its written consent.

V.13 CONTRACT-009.1d Ownership Rights (Oct 2006)

The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, and any software or modifications and any associated

documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Contract.

V.14 CONTRACT-010.1a Acceptance (Oct 2006)

No item(s) received by the Commonwealth shall be deemed accepted until the Commonwealth has had a reasonable opportunity to inspect the item(s). Any item(s) which is discovered to be defective or fails to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the item(s) or the noncompliance with the specifications were not reasonably ascertainable upon the initial inspection. It shall thereupon become the duty of the Contractor to remove rejected item(s) from the premises without expense to the Commonwealth within fifteen (15) days after notification. Rejected item(s) left longer than fifteen (15) days will be regarded as abandoned, and the Commonwealth shall have the right to dispose of them as its own property and shall retain that portion of the proceeds of any sale which represents the Commonwealth's costs and expenses in regard to the storage and sale of the item(s). Upon notice of rejection, the Contractor shall immediately replace all such rejected item(s) with others conforming to the specifications and which are not defective. If the Contractor fails, neglects or refuses to do so, the Commonwealth shall then have the right to procure a corresponding quantity of such item(s), and deduct from any monies due or that may thereafter become due to the Contractor, the difference between the price stated in the Contract and the cost thereof to the Commonwealth.

V.15 CONTRACT-011.1a Compliance With Law (Oct 2006)

The Contractor shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Contract.

V.16 CONTRACT-013.1 Environmental Provisions (Oct 2006)

In the performance of the Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations, including, but not limited to: the Clean Streams Law Act of June 22, 1937 (P.L. 1987, No. 394), as amended 35 P.S. Section 691.601 et seq.; the Pennsylvania Solid Waste Management Act, Act of July 7, 1980 (P.L. 380, No. 97), as amended, 35 P.S. Section 6018.101 et seq. ; and the Dam Safety and Encroachment Act, Act of November 26, 1978 (P.L. 1375, No. 325), as amended , 32 P.S. Section 693.1.

V.17 CONTRACT-015.1A Compensation/Expenses (May 2008)

The Contractor shall be required to perform the specified services at the price(s) quoted in the Contract. All services shall be performed within the time period(s) specified in the Contract. The Contractor shall be compensated only for work performed to the satisfaction of the Commonwealth. The Contractor shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Contract.

V.18 CONTRACT-015.2 Billing Requirements (February 2012)

Unless the Contractor has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Contractor shall include in all of its invoices the following minimum information:

- Vendor name and "Remit to" address, including SAP Vendor number;
- Bank routing information, if ACH;
- SAP Purchase Order number;
- Delivery Address, including name of Commonwealth agency;
- Description of the supplies/services delivered in accordance with SAP Purchase Order (include purchase order line number if possible);
- Quantity provided;
- Unit price;
- Price extension;
- Total price; and
- Delivery date of supplies or services.

If an invoice does not contain the minimum information set forth in this paragraph, the Commonwealth may return the invoice as improper. If the Commonwealth returns an invoice as improper, the time for processing a payment will be suspended until the Commonwealth receives a correct invoice. The Contractor may not receive payment until the Commonwealth has received a correct invoice. Contractors are required to establish separate billing accounts with each using agency and invoice them directly. Each invoice shall be itemized with adequate detail and match the line item on the Purchase Order. In no instance shall any payment be made for services to the Contractor that are not in accordance with the prices on the Purchase Order, the Contract, updated price lists or any discounts negotiated by the purchasing agency.

V.19 CONTRACT-016.1 Payment (Oct 2006)

a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Contract; (b) thirty (30) days after a proper invoice actually is received at the "Bill To" address if a date on which payment is due is not specified in the Contract (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Contract. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Contractor as acceptance of the service performed by the Contractor. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. The Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Contractor or its subsidiaries to the Commonwealth against any payments due the Contractor under any contract with the Commonwealth.

b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Contract or Purchase Order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which the Contractor will be required to pay and the Contractor will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are the responsibility of the Contractor. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Contractor or any other charges incurred by the Contractor, unless specifically stated in the terms of the Contract or Purchase Order.

V.20 CONTRACT-016.2 ACH Payments (Aug 2007)

a. The Commonwealth will make contract payments through the Automated Clearing House (ACH). Within 10 days of award of the contract or purchase order, the contractor must submit or must have already submitted their ACH information within their user profile in the Commonwealth's procurement system (SRM).

b. The contractor must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the contractor to properly apply the state agency's payment to the invoice submitted.

c. It is the responsibility of the contractor to ensure that the ACH information contained in SRM is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

V.21 CONTRACT-017.1 Taxes (Dec 5 2006)

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 23-23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction contractor from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction contract.

V.22 CONTRACT-018.1 Assignment of Antitrust Claims (Oct 2006)

The Contractor and the Commonwealth recognize that in actual economic practice, overcharges by the Contractor's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of the Contract, and intending to be legally bound, the Contractor assigns to the Commonwealth all right, title and

interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Contract.

V.23 CONTRACT-019.1 Hold Harmless Provision (Nov 30 2006)

a. The Contractor shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all third party claims, demands and actions based upon or arising out of any activities performed by the Contractor and its employees and agents under this Contract, provided the Commonwealth gives Contractor prompt notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act (71 P.S. Section 732-101, et seq.), the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under such terms as it deems appropriate, delegate its right of defense. If OAG delegates the defense to the Contractor, the Commonwealth will cooperate with all reasonable requests of Contractor made in the defense of such suits.

b. Notwithstanding the above, neither party shall enter into any settlement without the other party's written consent, which shall not be unreasonably withheld. The Commonwealth may, in its sole discretion, allow the Contractor to control the defense and any related settlement negotiations.

V.24 CONTRACT-020.1 Audit Provisions (Oct 2006)

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the Contractor to the extent that the books, documents and records relate to costs or pricing data for the Contract. The Contractor agrees to maintain records which will support the prices charged and costs incurred for the Contract. The Contractor shall preserve books, documents and records that relate to costs or pricing data for the Contract for a period of three (3) years from the date of final payment. The Contractor shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

V.25 CONTRACT-021.1 Default (Oct 2013)

a. The Commonwealth may, subject to the Force Majeure provisions of this Contract, and in addition to its other rights under the Contract, declare the Contractor in default by written notice thereof to the Contractor, and terminate (as provided in the Termination Provisions of this Contract) the whole or any part of this Contract or any Purchase Order for any of the following reasons:

- 1) Failure to begin work within the time specified in the Contract or Purchase Order or as otherwise specified;
- 2) Failure to perform the work with sufficient labor, equipment, or material to ensure the completion of the specified work in accordance with the Contract or Purchase Order terms;
- 3) Unsatisfactory performance of the work;

- 4) Failure to deliver the awarded item(s) within the time specified in the Contract or Purchase Order or as otherwise specified;
- 5) Improper delivery;
- 6) Failure to provide an item(s) which is in conformance with the specifications referenced in the Contract or Purchase Order;
- 7) Delivery of a defective item;
- 8) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
- 9) Discontinuance of work without approval;
- 10) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
- 11) Insolvency or bankruptcy;
- 12) Assignment made for the benefit of creditors;
- 13) Failure or refusal within 10 days after written notice by the Contracting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;
- 14) Failure to protect, to repair, or to make good any damage or injury to property;
- 15) Breach of any provision of the Contract;
- 16) Failure to comply with representations made in the Contractor's bid/proposal; or
- 17) Failure to comply with applicable industry standards, customs, and practice.

b. In the event that the Commonwealth terminates this Contract or any Purchase Order in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, items similar or identical to those so terminated, and the Contractor shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical items included within the terminated part of the Contract or Purchase Order.

c. If the Contract or a Purchase Order is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Contractor to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Contracting Officer, such partially completed items, including, where applicable, reports, working papers and other documentation, as the Contractor has specifically produced or specifically acquired for the performance of such part of the Contract or Purchase Order as has been terminated. Except as provided below, payment for completed work accepted

by the Commonwealth shall be at the Contract price. Except as provided below, payment for partially completed items including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Contractor and Contracting Officer. The Commonwealth may withhold from amounts otherwise due the Contractor for such completed or partially completed works, such sum as the Contracting Officer determines to be necessary to protect the Commonwealth against loss.

d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.

f. Following exhaustion of the Contractor's administrative remedies as set forth in the Contract Controversies Provision of the Contract, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

V.26 CONTRACT-022.1 Force Majeure (Oct 2006)

Neither party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Contractor shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Contractor becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the contract is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect to cancel the Contract, cancel the Purchase Order, or to extend the time for performance as reasonably necessary to compensate for the Contractor's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Contractor, may suspend all or a portion of the Contract or Purchase Order.

V.27 CONTRACT-023.1a Termination Provisions (Oct 2013)

The Commonwealth has the right to terminate this Contract or any Purchase Order for any of the following reasons. Termination shall be effective upon written notice to the Contractor.

a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for its convenience if the Commonwealth determines termination to be in its best interest. The Contractor shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Contractor be entitled to recover loss of profits.

b. **NON-APPROPRIATION:** The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Contract or a Purchase Order.

The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under the Contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid from any appropriations available for that purpose.

c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for Contractor default under the Default Clause upon written notice to the Contractor. The Commonwealth shall also have the right, upon written notice to the Contractor, to terminate the Contract or a Purchase Order for other cause as specified in the Contract or by law. If it is later determined that the Commonwealth erred in terminating the Contract or a Purchase Order for cause, then, at the Commonwealth's discretion, the Contract or Purchase Order shall be deemed to have been terminated for convenience under the Subparagraph a.

V.28 CONTRACT-024.1 Contract Controversies (Oct 2011)

a. In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its right to assert a claim in any forum. At the time the claim is filed, or within sixty (60) days thereafter, either party may request mediation through the Commonwealth Office of General Counsel Dispute Resolution Program.

b. If the Contractor or the contracting officer requests mediation and the other party agrees, the contracting officer shall promptly make arrangements for mediation. Mediation shall be scheduled so as to not delay the issuance of the final determination beyond the required 120 days after receipt of the claim if mediation is unsuccessful. If mediation is not agreed to or if resolution is not reached through mediation, the contracting officer shall review timely-filed

claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the contracting officer and the Contractor. The contracting officer shall send his/her written determination to the Contractor. If the contracting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.

c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Contractor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate the Contractor pursuant to the terms of the Contract.

V.29 CONTRACT-025.1 Assignability and Subcontracting (Oct 2013)

a. Subject to the terms and conditions of this paragraph, this Contract shall be binding upon the parties and their respective successors and assigns.

b. The Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.

c. The Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.

d. Notwithstanding the foregoing, the Contractor may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Contract.

e. For the purposes of this Contract, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Contractor provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.

f. Any assignment consented to by the Contracting Officer shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.

g. A change of name by the Contractor, following which the Contractor's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Contractor shall give the Contracting Officer written notice of any such change of name.

V.30 CONTRACT-026.1 Other Contractors (Oct 2006)

The Commonwealth may undertake or award other contracts for additional or related work, and the Contractor shall fully cooperate with other contractors and Commonwealth employees, and coordinate its work with such additional work as may be required. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Commonwealth employees. This paragraph shall be included in the Contracts of all contractors with which this Contractor will be required to cooperate. The Commonwealth shall equitably enforce this paragraph as to all contractors to prevent the imposition of unreasonable burdens on any contractor.

V.31 CONTRACT-027.1 Nondiscrimination/Sexual Harassment Clause (March 2015)

The Contractor agrees:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not discriminate in violation of the *Pennsylvania Human Relations Act* (PHRA) and applicable federal laws against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.

2. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate in violation of the PHRA and applicable federal laws against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract.

3. The Contractor and each subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.

4. The Contractor and each subcontractor shall not discriminate in violation of PHRA and applicable federal laws against any subcontractor or supplier who is qualified to perform the work to which the contract relates.

5. The Contractor and each subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws and regulations relating to nondiscrimination and sexual harassment. The Contractor and each subcontractor further represents that it has filed a Standard Form 100 Employer Information Report ("EEO-1")

with the U.S. Equal Employment Opportunity Commission ("EEOC") and shall file an annual EEO-1 report with the EEOC as required for employers subject to *Title VII of the Civil Rights Act of 1964*, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Contractor and each subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the contracting agency and the Bureau of Small Business Opportunities (BSBO), for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.

6. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.

7. The Contractor's and each subcontractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor and each subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the contract, it becomes aware of any actions or occurrences that would result in violation of these provisions.

8. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

V.32 CONTRACT-028.1 Contractor Integrity Provisions (Jan 2015)

It is essential that those who seek to contract with the Commonwealth of Pennsylvania ("Commonwealth") observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

1. DEFINITIONS. For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:

a. "Affiliate" means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.

b. "Consent" means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.

c. "Contractor" means the individual or entity, that has entered into this contract with the Commonwealth.

d. "Contractor Related Parties" means any affiliates of the Contractor and the Contractor's executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.

e. "Financial Interest" means either:

(1) Ownership of more than a five percent interest in any business; or

(2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.

f. "Gratuity" means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor's Code of Conduct, Executive Order 1980-18*, the *4 Pa. Code §7.153(b)*, shall apply.

g. "Non-bid Basis" means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

2. In furtherance of this policy, Contractor agrees to the following:

a. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.

b. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.

c. Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.

d. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract.

Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than the Contractor's submission of the contract signed by Contractor.

e. Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:

(1) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;

(2) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;

(3) had any business license or professional license suspended or revoked;

(4) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and

(5) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

f. Contractor shall comply with the requirements of the *Lobbying Disclosure Act (65 Pa.C.S. §13A01 et seq.)* regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a)*.

g. When contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.

h. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

i. Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.

j. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation or otherwise.

V.33 CONTRACT-029.1 Contractor Responsibility Provisions (Nov 2010)

For the purpose of these provisions, the term contractor is defined as any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth of Pennsylvania (Commonwealth). The term contractor includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

1. The Contractor certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such subcontractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.

2. The Contractor also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.

3. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the Contractor, any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.

4. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.

5. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

6. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the Internet at <http://www.dgs.pa.gov/> or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No: (717) 783-6472
FAX No: (717) 787-9138

V.34 CONTRACT-030.1 Americans with Disabilities Act (Oct 2006)

a. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. Section 35.101 et seq., the Contractor understands and agrees that it

shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. Section 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.

b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of Subparagraph a. above.

V.35 CONTRACT-032.1 Covenant Against Contingent Fees (Oct 2006)

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Contract without liability or in its discretion to deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

V.36 CONTRACT-033.1 Applicable Law (Oct 2006)

This Contract shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. The Contractor consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Contractor agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

V.37 CONTRACT-034.1a Integration – RFP (Dec 12 2006)

This Contract, including the Request for Proposals, Contractor's Proposal, Contractor's Best and Final Offer, if any, all referenced documents, and any Purchase Order constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Contractor has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Contract, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both parties.

V.38 CONTRACT-034.2a Order of Precedence - RFP (Dec 12 2006)

In the event there is a conflict among the documents comprising this Contract, the Commonwealth and the Contractor agree on the following order of precedence: the Contract; the RFP, the Best and Final Offer, if any; the Contractor's Proposal in Response to the RFP.

V.39 CONTRACT-034.3 Controlling Terms and Conditions (Aug 2011)

The terms and conditions of this Contract shall be the exclusive terms of agreement between the Contractor and the Commonwealth. All quotations requested and received from the Contractor are for obtaining firm pricing only. Other terms and conditions or additional terms and conditions included or referenced in the Contractor's quotations, invoices, business forms, or other documentation shall not become part of the parties' agreement and shall be disregarded by the parties, unenforceable by the Contractor and not binding on the Commonwealth.

V.40 CONTRACT-035.1a Changes (Oct 2006)

The Commonwealth reserves the right to make changes at any time during the term of the Contract or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Contract and actual quantities; 2) to make changes to the services within the scope of the Contract; 3) to notify the Contractor that the Commonwealth is exercising any Contract renewal or extension option; or 4) to modify the time of performance that does not alter the scope of the Contract to extend the completion date beyond the Expiration Date of the Contract or any renewals or extensions thereof. Any such change shall be made by the Contracting Officer by notifying the Contractor in writing. The change shall be effective as of the date of the change, unless the notification of change specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Contract, nor, if performance security is being furnished in conjunction with the Contract, release the security obligation. The Contractor agrees to provide the service in accordance with the change order. Any dispute by the Contractor in regard to the performance required by any notification of change shall be handled through Contract Controversies Provision.

V.41 CONTRACT-036.1 Background Checks (Oct 2013)

a. The Contractor must, at its expense, arrange for a background check for each of its employees, as well as the employees of any of its subcontractors, who will have access to Commonwealth facilities, either through on-site access or through remote access. Background checks are to be conducted via the Request for Criminal Record Check form and procedure found at <http://www.psp.state.pa.us/psp/lib/psp/sp4-164.pdf>. The background check must be conducted prior to initial access and on an annual basis thereafter.

b. Before the Commonwealth will permit access to the Contractor, the Contractor must provide written confirmation that the background checks have been conducted. If, at any time, it is discovered that a Contractor employee has a criminal record that includes a felony or misdemeanor involving terroristic behavior, violence, use of a lethal weapon, or breach of trust/fiduciary responsibility or which raises concerns about building, system or personal security or is otherwise job-related, the Contractor shall not assign that employee to any Commonwealth

facilities, shall remove any access privileges already given to the employee and shall not permit that employee remote access unless the Commonwealth consents to the access, in writing, prior to the access. The Commonwealth may withhold its consent in its sole discretion. Failure of the Contractor to comply with the terms of this Section on more than one occasion or Contractor's failure to appropriately address any single failure to the satisfaction of the Commonwealth may result in the Contractor being deemed in default of its Contract.

c. The Commonwealth specifically reserves the right of the Commonwealth to conduct background checks over and above that described herein.

d. Access to certain Capitol Complex buildings and other state office buildings is controlled by means of card readers and secured visitors' entrances. Commonwealth contracted personnel who have regular and routine business in Commonwealth worksites may be issued a photo identification or access badge subject to the requirements of the contracting agency and DGS set forth in Enclosure 3 of Commonwealth Management Directive 625.10 Amended (January 30, 2008) Card Reader and Emergency Response Access to Certain Capitol Complex Buildings and Other State Office Buildings. The requirements, policy and procedures include a processing fee payable by the Contractor for contracted personnel photo identification or access badges.

V.42 CONTRACT-037.1a Confidentiality (Oct 2013)

a) The Contractor agrees to protect the confidentiality of the Commonwealth's confidential information. The Commonwealth agrees to protect the confidentiality of Contractor's confidential information. In order for information to be deemed confidential, the party claiming confidentiality must designate the information as "confidential" in such a way as to give notice to the other party (notice may be communicated by describing the information, and the specifications around its use or disclosure, in the SOW). Neither party may assert that information owned by the other party is such party's confidential information. The parties agree that such confidential information shall not be copied, in whole or in part, or used or disclosed except when essential for authorized activities under this Contract and, in the case of disclosure, where the recipient of the confidential information has agreed to be bound by confidentiality requirements no less restrictive than those set forth herein.

Each copy of such confidential information shall be marked by the party making the copy with any notices appearing in the original. Upon termination or cancellation of this Contract or any license granted hereunder, the receiving party will return to the disclosing party all copies of the confidential information in the receiving party's possession, other than one copy, which may be maintained for archival purposes only, and which will remain subject to this Contract's security, privacy, data retention/destruction and confidentiality provisions (all of which shall survive the expiration of this Contract). Both parties agree that a material breach of these requirements may, after failure to cure within the time frame specified in this Contract, and at the discretion of the non-breaching party, result in termination for default pursuant to the DEFAULT provision of this Contract, in addition to other remedies available to the non-breaching party.

(b) Insofar as information is not otherwise protected by law or regulation, the obligations stated in this Section do not apply to information:

(1) already known to the recipient at the time of disclosure other than through the contractual relationship;

(2) independently generated by the recipient and not derived by the information supplied by the disclosing party.

(3) known or available to the public , except where such knowledge or availability is the result of unauthorized disclosure by the recipient of the proprietary information;

(4) disclosed to the recipient without a similar restriction by a third party who has the right to make such disclosure; or

(5) required to be disclosed by law , regulation, court order, or other legal process. There shall be no restriction with respect to the use or disclosure of any ideas, concepts, know-how, or data processing techniques developed alone or jointly with the Commonwealth in connection with services provided to the Commonwealth under this Contract.

(c) The Contractor shall use the following process when submitting information to the Commonwealth it believes to be confidential and/or proprietary information or trade secrets:

(1) Prepare an un-redacted version of the appropriate document, and

(2) Prepare a redacted version of the document that redacts the information that is asserted to be confidential or proprietary information or a trade secret, and

(3) Prepare a signed written statement that states:

(i) the attached document contains confidential or proprietary information or trade secrets;

(ii) the Contractor is submitting the document in both redacted and un-redacted format in accordance with 65 P.S. § 67.707(b); and (iii) the Contractor is requesting that the document be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests.

(4) Submit the two documents along with the signed written statement to the Commonwealth.

V.43 CONTRACT-037.2a Sensitive Information (Sept 2009)

The Contractor shall not publish or otherwise disclose, except to the Commonwealth and except matters of public record, any information or data obtained hereunder from private individuals, organizations, or public agencies, in a publication whereby the information or data furnished by or about any particular person or establishment can be identified, except with the consent of such person or establishment. The parties shall not use or disclose any information about a recipient receiving services from, or otherwise enrolled in, a Commonwealth program affected by or benefiting from services under this Contract for any purpose not connected with the parties' Contract responsibilities except with the written consent of such recipient, recipient's attorney, or recipient's parent or guardian pursuant to applicable state and federal law and regulations.

Contractor will be responsible to remediate any improper disclosure of information. Such remediation may include, but not be limited to, credit monitoring for individuals for whom information has been released and reimbursement of any costs incurred by individuals for whom information has been released. Costs for which Contractor is responsible under this paragraph are not subject to any limitation of liability set out in this Contract or Purchase Order.

V.44 CONTRACT-041.1 Small Diverse Business Participation (October 2015)

The selected contractor's commitments to Small Diverse Businesses made at the time of proposal submittal or contract negotiation shall, to the extent so provided in the commitment, be maintained throughout the term of the contract and through any renewal or extension of the contract. Any proposed change must be submitted to BDISBO, which will make a recommendation to the Contracting Officer regarding a course of action.

Small Diverse Business subcontractors must perform at least **50%** of the subcontracted work. If a contract is assigned to another contractor, the new contractor must maintain the Small Diverse Business participation of the original contract.

The selected contractor shall complete the Prime Contractor's Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BDISBO within **10** workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small Diverse Business subcontractors and suppliers. Also, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Small Diverse Business participation points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF SMALL DIVERSE BUSINESS STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR SMALL DIVERSE BUSINESS UTILIZATION.

V.45 CONTRACT-051.1 Notice (Dec 2006)

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

- a. If to the Contractor: the Contractor's address as recorded in the Commonwealth's Supplier Registration system.
- b. If to the Commonwealth: the address of the Issuing Office as set forth on the Contract.

V.46 CONTRACT-052.1 Right to Know Law (Feb 2010)

a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, (“RTKL”) applies to this Contract. For the purpose of these provisions, the term “the Commonwealth” shall refer to the contracting Commonwealth agency.

b. If the Commonwealth needs the Contractor’s assistance in any matter arising out of the RTKL related to this Contract, it shall notify the Contractor using the legal contact information provided in this Contract. The Contractor, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.

c. Upon written notification from the Commonwealth that it requires the Contractor’s assistance in responding to a request under the RTKL for information related to this Contract that may be in the Contractor’s possession, constituting, or alleged to constitute, a public record in accordance with the RTKL (“Requested Information”), the Contractor shall:

1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in the Contractor’s possession arising out of this Contract that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and

2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Contract.

d. If the Contractor considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Contractor considers exempt from production under the RTKL, the Contractor must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL.

e. The Commonwealth will rely upon the written statement from the Contractor in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, the Contractor shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth’s determination.

f. If the Contractor fails to provide the Requested Information within the time period required by these provisions, the Contractor shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor’s failure, including any statutory damages assessed against the Commonwealth.

g. The Commonwealth will reimburse the Contractor for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.

h. The Contractor may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Contractor shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, the Contractor agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.

i. The Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

**PROPOSAL COVER SHEET
COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM
RFP# SERS 2015-028**

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

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

Submittals Enclosed and Separately Sealed:	
	Technical Submittal
	Small Diverse Business Participation Submittal
	Cost Submittal

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

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

APPENDIX B

Trade Secret/Confidential Proprietary Information Notice

Instructions:

The Commonwealth may not assert on behalf of a third party an exception to the public release of materials that contain trade secrets or confidential proprietary information unless the materials are accompanied, at the time they are submitted, by this form or a document containing similar information.

It is the responsibility of the party submitting this form to ensure that all statements and assertions made below are legally defensible and accurate. The Commonwealth will not provide a submitting party any advice with regard to trade secret law.

Name of submitting party:

Contact information for submitting party:

Please provide a brief overview of the materials that you are submitting (e.g. bid proposal, grant application, technical schematics):

Please provide a brief explanation of why the materials are being submitted to the Commonwealth (e.g. response to bid #12345, application for grant XYZ being offered by the Department of Health, documents required to be submitted under law ABC)

**APPENDIX C
SMALL DIVERSE BUSINESS
LETTER OF INTENT**

[DATE]

[SDB Contact Name]
Title
SDB Company Name
Address
City, State, Zip]

Dear [SDB Contact Name]:

This letter serves as confirmation of the intent of [Offeror] to utilize [Small Diverse Business (SDB)] on RFP SERS 2015-028 – Actuarial Services and Pension Consulting issued by the State Employees’ Retirement System.

If [Offeror] is the successful vendor, [SDB] shall provide [identify the specific work, goods or services the SDB will perform, and the specific timeframe during the term of the contract and any option/renewal periods when the work, goods or services will be performed or provided].

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

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

We look forward to the opportunity to serve the State Employees’ Retirement System on this project. If you have any questions concerning our small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

Acknowledged,

Offeror Name
Title
Company
Phone number

SDB Name
Title
Company
Phone number

INSTRUCTIONS IN COMPLETING COST SUBMITTAL

Data Entry: Only enter data in the cells shaded yellow.

a. Variable Costs - Input the total estimated number of hours and the hourly rate of each individual being utilized in the effort as expressed in Part IV - Statement of Work, using the "Part 1 - Variable-Fixed Costs" spreadsheet. Formulas will automatically add the total variable cost. Please round all estimated hours to the nearest quarter hour. Itemize to show the following for each category of personnel with a different hourly rate:

- (1) Category (e.g., Client Manager, Senior Actuary, Mid-Level Consultant, Actuarial Assistant, etc.)
- (2) Estimated hours (use the matrix provided in "Part 2 - Actual Hours Used" incorporated as a tab to this spreadsheet to assist in estimating the number of hours required for each individual assigned to the effort. Please note that the hours are derived from the current Contractor's work and derives a period representing July 1-June 30 of the following year.)

Note: The need for special services can and will vary from one fiscal year to the next due to fluctuations in member requests and the amount and complexity of proposed legislation pertaining to the Fund. For purposes of submitting a bid and to provide an estimate of the potential work hours requested from prospective Contractors, the matrix should be used as a guide based on SERS' prior usage of those services. As stated before, that usage can and will vary in the future.

- (3) Rate per hour. The rate per hour is to include all travel and overhead costs.
- (4) Total cost for each category and for all variable costs (will automatically be populated).
- (5) The term of the proposed contract/PO is for a five-year period. Therefore, you must show the breakdown of the variable costs by Commonwealth of PA fiscal year (7/1/XX - 6/30/XX).

b. Fixed Costs

- (1) Standard flat fee for annual Fund and BCP valuation services listed by fiscal year.
- (2) Standard flat fee for experience study listed in the final fiscal year of the contract.

Only work satisfactorily performed after execution of a written contract, after the contractor's receipt of a notice to proceed from SERS and after the contract/PO term has commenced, will be subject to compensation.

**APPENDIX D
COST SUBMITTAL WORKSHEET**

**RFX: SERS 2015-028 ACTUARIAL SERVICES
AND PENSION PLAN CONSULTING**

OFFEROR NAME	CONTACT PERSON	
OFFEROR ADDRESS	EMAIL ADDRESS	
	PHONE NUMBER	FAX NUMBER
	VENDOR NUMBER	FEDERAL ID OR SSN

COST SUMMARY

TOTAL PROJECT COST FOR ACTUARIAL SERVICES AND PENSION PLAN CONSULTING	
Fiscal Year 16	\$0.00
Fiscal Year 17	\$0.00
Fiscal Year 18	\$0.00
Fiscal Year 19	\$0.00
Fiscal Year 20	\$0.00
TOTAL COST TO BE EVALUATED FOR THE FIVE YEAR TERM OF THE CONTRACT.	\$ -

APPENDIX D - COST SUBMITTAL
ACTUARIAL SERVICES AND PENSION PLAN CONSULTING
PART 1 - VARIABLE AND FIXED COSTS

Offeror Name	FY 2016						FY 2017			FY 2018			FY 2019			FY 2020			
	Est. Hrs	Hourly Rate	Total Cost	Est. Hrs	Hourly Rate	Total Cost	Est. Hrs	Hourly Rate	Total Cost	Est. Hrs	Hourly Rate	Total Cost	Est. Hrs	Hourly Rate	Total Cost	Est. Hrs	Hourly Rate	Total Cost	
Variable Costs																			
Client Manager-Superv Actuary			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	
Senior Actuary Consultant			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	
Consultant			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	
Mid-Level Consultant			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	
Associate Consultant			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	
Actuarial Ass't/Tech Associate			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	
Support Staff			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	
			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	
Total			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00			\$0.00	
Fixed Costs																			
Valuation Reports																			
Experience Study																			
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost (Variable and Fixed)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Enter data in the yellow cells only.

Offeror Name

RFX: SERS 2015-028 ACTUARIAL SERVICES AND PENSION PLAN CONSULTING

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Total Actual Hours
Client Manager-Superv Actuary	270.00	313.00	295.00	387.50	407.60	1,673.10
Principal	32.75	3.50	4.00	10.75	0.00	51.00
Senior Actuary Consultant	413.00	486.50	485.50	545.00	612.20	2,542.20
Consultant	4.25	0.00	0.00	0.00	0.00	4.25
Mid-Level Consultant	58.00	46.25	65.50	86.25	92.40	348.40
Associate Consultant	31.50	51.50	52.00	24.25	36.30	195.55
Actuarial Ass't-Tech Associate	10.50	5.50	0.00	0.00	0.00	16.00
Total Hours Used	820.00	906.25	902.00	1,053.75	1,148.50	4,830.50

FY 2015 (as of 10/15/2015)	NO of Months	Extended Hours per Month	Months per year	Estimated Annual Total
123.50	4	33.968	12	407.616
0.00	4	0	12	0
185.50	4	51.018	12	612.216
0.00	4	0	12	0
28.00	4	7.7	12	92.4
11.00	4	3.025	12	36.3
0.00	4	0	12	0

APPENDIX E
DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

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

I, _____ [title] of _____ [name of Contractor] a _____ [place of incorporation] corporation or other legal entity, ("Contractor") located at

_____, [address], having a Social Security or Federal Identification Number of _____, do hereby certify and represent to the Commonwealth of Pennsylvania ("Commonwealth") (Check **one** of the boxes below):

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

OR

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

[Use additional sheets if necessary]

The State Employees' Retirement System shall treat any misstatement as fraudulent concealment of the true facts punishable under Section 4904 of the *Pennsylvania Crimes Code*, Title 18, of Pa. Consolidated Statutes.

Attest or Witness:

Corporate or Legal Entity's Name

Signature/Date

Signature/Date

Printed Name/Title

Printed Name/Title

APPENDIX F

**COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM**

SERS # _____
PO # _____

**CONTRACT FOR ACTUARIAL AND
PENSION PLAN CONSULTING SERVICES**

This Contract made as of _____, 2016, by and between the **COMMONWEALTH OF PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM** (herein "SERS") and _____, a _____, with its principal office and place of business at _____ (herein "ACTUARY"),

WITNESSETH:

WHEREAS, SERS requires actuarial and pension plan consulting services to assist it in the proper performance of its administrative duties under the State Employees' Retirement Code, 71 Pa.C.S.A. Section 5101, *et seq.* (herein "Retirement Code"); and

WHEREAS, pursuant to Section 5902(b) of the Retirement Code, SERS is authorized to engage the services of an actuary and other professional personnel as it deems advisable; and

WHEREAS, SERS has made known its requirements for actuarial and pension plan consulting services through issuance of RFP# _____, Request for Proposal for Actuarial Services and Pension Plan Consulting Services, issued _____, a copy of which is attached hereto, made a part hereof, and marked as Exhibit A; and

WHEREAS, ACTUARY has represented and made known to SERS, through submission of its proposal dated _____, that ACTUARY possesses expertise and professional knowledge and experience in actuarial science and pension plan consulting, and shall make

available to SERS qualified personnel, facilities, materials and other services to fulfill its obligations to SERS in accordance with the terms and conditions hereinafter set forth. A copy of ACTUARY's proposal is attached hereto, made a part hereof, and marked Exhibit B,

NOW THEREFORE, in consideration of the foregoing recitals which are incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be bound hereby, the parties hereto agree as follows:

1. Engagement. SERS hereby engages ACTUARY and ACTUARY hereby accepts SERS' engagement to serve as an actuary and pension plan consultant for and on behalf of SERS in accordance with the terms and conditions of this Contract and such other policies and directives as may be communicated to ACTUARY from time to time.

2. ACTUARY's Services. Section 5902(j) of the Retirement Code requires SERS to obtain an actuarial investigation and experience analysis every five years and an annual actuarial valuation of the State Employees' Retirement Fund and the various accounts of which it is comprised (herein "Fund"). ACTUARY, thereafter, shall recommend to SERS the adoption of such tables and practices as are necessary for calculation of contributions, annuities and benefits. In addition to the foregoing services, ACTUARY shall provide actuarial advice and pension plan consulting services as more particularly described below.

The SERS Executive Director or a designee thereof shall serve as SERS' primary contact for ACTUARY and, in such capacity, shall be the conduit for all reports, clarifications of assignments and other communications between the parties. The Supervising Actuary (as defined below) and his/her staff shall be readily accessible to the SERS Executive Director or a designee thereof. ACTUARY agrees to respond to electronic and telephonic inquiries within one (1) business day and to be available for meetings within five (5) business days of SERS' request. ACTUARY, in consultation with SERS, shall furnish all qualified personnel, facilities, materials, software, and other services to perform the actuarial and pension plan consulting services described below and in Exhibits A and B hereto.

All actuarial services shall be performed under the direct supervision of an employee of ACTUARY who is an Enrolled Actuary holding the FSA designation and otherwise meets or exceeds industry standards as a supervising actuary (herein "Supervising Actuary"). Such individual shall be acceptable to SERS in its sole and absolute discretion. All pricing certificates, final reports, presentations of assumptions and similar technical documentation produced by ACTUARY hereunder shall be approved by the Supervising Actuary and signed thereby as evidence of such approval.

A. Actuarial Services Included in Flat Fee. ACTUARY shall:

(i) Prepare an annual actuarial valuation of the Fund as of December 31 of each year during the term hereof based on data for each member, annuitant and survivor annuitant. Such report(s) shall also be provided in electronic format.

(a) ACTUARY shall deliver 250 bound printed copies and 50 copies on compact disc of each annual actuarial valuation report of the Fund to SERS within the later of eight (8) weeks after SERS delivers its data to ACTUARY or eight (8) weeks after SERS adopts the actuarial assumptions for the valuation. Such data, as are available in the records and files of SERS, shall be furnished to ACTUARY by SERS in such computerized format as shall be mutually agreeable to the parties. In the year in which the Five Year Experience Analysis (as defined below) is performed, the annual actuarial valuation report shall be delivered to SERS within eight (8) weeks after SERS adopts the actuarial assumptions for the valuation.

(b) ACTUARY shall employ the same actuarial assumptions used for the prior year's valuation of the Fund, unless an intervening Five Year Experience Analysis was performed, in which case ACTUARY shall prepare the annual actuarial valuation using the actuarial assumptions generated by the Five Year Experience Analysis. In any event, if analysis of current data suggests material variations from actuarial assumptions, ACTUARY shall consider and discuss in its report of the annual actuarial valuation the expected effect of such variations on the normal cost and/or unfunded accrued liability of SERS.

(c) Annual actuarial valuation reports of the Fund shall include ACTUARY's recommendation for so-called "going concern" contribution rates and supplemental calculations computed on a "termination" basis, including, but not limited to, calculations complying with Governmental Accounting Standards Board (GASB) Statements 67 and 68 (or appropriate successor accounting and financial reporting standards).

(d) Annual actuarial valuation reports of the Fund shall contain a glossary of terms and sufficient explanatory text to facilitate reasonable understanding of the actuarial assumptions, cost methods and conclusions by recipients of the reports, *e.g.*, SERS' Board members, legislators and government administrators. Such reports, therefore, shall include, *inter alia*, a summary of the plan, a description of actuarial assumptions and cost methods, graphic display of age groups and service matrices for active members, and graphic display of retired lives by age group and type of benefit.

(ii) Prepare an annual recommendation and periodic updates of the employer contribution rate for the Fund, to be stated as a percentage of total compensation of all active members. Such employer contribution rate shall consist of the normal contribution rate, the accrued liability contribution rate, and the supplemental annuity contribution rate.

(iii) Conduct an actuarial investigation and experience analysis of the Fund for the five year period commencing January 1, 2016 and ending December 31, 2020 (herein "Five Year Experience Analysis"). Such analysis shall also be provided in electronic format.

(a) ACTUARY shall prepare and deliver to SERS, on or before January 15, 2021, 100 copies of a comprehensive report of the Five Year Experience Analysis. The report shall describe in language designed to facilitate reasonable understanding by recipients of the report, *e.g.*, SERS' Board members, legislators and government administrators, pay increase assumptions, the rationale for changes in contribution rates from year to year and a comparison of actual changes in

liabilities from one year to the next with projected changes for each actuarial assumption.

(b) ACTUARY shall also analyze non-economic assumptions in the report including, but not limited to, rates of terminations, service retirement rates, mortality before and after retirement, disability and returns and terminations from disability.

(c) The report shall include assumption ranges and recommendations for the succeeding five years.

(d) The Five Year Experience Analysis shall include development of standard tables and factors for use by SERS such as mortality tables, present value factors, option factors and survivor benefit factors;

(iv) Attend SERS Board meetings, an annual meeting with the Pennsylvania Public Employees Retirement Commission, and meetings with SERS' staff in Harrisburg, Pennsylvania or elsewhere as reasonably requested by SERS. ACTUARY shall prepare suitable minutes or other appropriate documentation of ideas and issues raised during such meetings. The number of such meetings shall not exceed six in any given calendar year.

(v) Prepare an annual actuarial valuation for the Benefits Completion Plan (BCP) as of December 31 of each year during the term of this Contract. This valuation is to be based on data for each BCP Participant. Such report(s) shall also be provided in electronic format.

(a) ACTUARY shall deliver twenty (25) copies of each annual BCP actuarial valuation report to SERS within the later of eight (8) weeks after SERS delivers its data to ACTUARY or eight (8) weeks after SERS adopts the actuarial assumptions for the valuation. Such data, as are available in the records and files of SERS, shall be furnished to ACTUARY by SERS in such computerized format as shall be mutually agreeable to the parties. In the year in which the Five Year Experience Analysis is performed, the annual BCP actuarial valuation report shall be

delivered to SERS within eight (8) weeks after SERS adopts the actuarial assumptions for the valuation.

(b) Annual BCP actuarial valuation reports shall include, but not be limited to, ACTUARY's recommendation for the so-called "going concern" contribution rate, projected fund balances, and an analysis of current and potential participants.

(c) Annual BCP actuarial valuation reports shall contain a glossary of terms and sufficient explanatory text and examples to facilitate reasonable understanding of the actuarial assumptions, cost methods and conclusions by recipients of the reports, *e.g.*, SERS' Board members, legislators and government administrators.

(vi) Furnish notice of legislative and regulatory developments regarding financing, benefits, vesting, fiduciary responsibility, disclosure, federal tax qualification and other issues of interest and concern to SERS.

(vii) Calculate reserve transfers for State Police (members of Class C) and other special classes as requested by SERS staff.

(viii) Develop standard mortality tables, present value factors, option factors and survivor benefit factors.

(ix) Advise SERS on pension accounting standards (*e.g.*, GASB) and changes thereto.

(x) Advise and assist SERS staff to prepare an annual financial report (SERS Comprehensive Annual Financial Report) to the Governor of Pennsylvania and the Pennsylvania General Assembly.

B. Actuarial Advice Available on a Separately Billed Basis. ACTUARY shall as requested from time to time by SERS:

(i) Provide actuarial advice and support by means of electronic media, telephone, facsimile and correspondence as the circumstances may dictate on any technical, policy, legal or administrative issues arising during the course of SERS' administration and management of the Fund (unrelated to the actuarial services described in Section 2(A) above), including, but not limited to:

(a) development of special mortality tables, present value factors, option factors and survivor benefit factors; and

(b) recommendations for changes in the financing structure of the Fund in recognition of developments and advances in the retirement industry.

(ii) Review the computation procedures used to calculate benefits and contributions, and prepare and submit to the SERS appropriate reports and recommendations.

(iii) Analyze retirement legislation proposed and/or enacted by the Pennsylvania General Assembly, prepare actuarial cost studies, and prepare and furnish to SERS written reports thereof.

(iv) Assist SERS staff to prepare regulations and draft legislation.

(v) Review the form and content of SERS' data files and assist SERS staff to establish specifications for SERS' data collection and retention to assure maintenance of data needed for legislative cost analyses, actuarial studies, experience analyses and annual actuarial valuations.

(vi) Attend conferences, conduct training seminars, meet with SERS staff, participate in legislative hearings to explain actuarial standards and principles used in the establishment of contribution rates, funding requirements and cost analysis of proposed legislation, and attend other meetings.

(vii) Certify optional periodic benefits as requested under Option 4.

(viii) Analyze retirement legislation proposed and/or enacted by the U. S. Congress and prepare and furnish to the SERS written reports thereof.

C. Pension Plan Consulting Services Available on a Separately Billed Basis. As requested from time to time by SERS, ACTUARY shall provide pension plan consulting services to, *inter alia*, enhance SERS communications with members; improve retirement plan design; and facilitate strategic planning, as more particularly described below:

(i) Provide SERS staff with support and consultation during the course of preparing SERS' strategic plan and refinements thereof.

(ii) Assist SERS staff to clarify policy and overcome administrative impediments to implementing new legislative and regulatory initiatives.

(iii) Guide SERS in developing interactive communication programs and customizing benefits communications between SERS and its members.

(iv) Provide other consultation and advice pertaining to the operation and management of a public pension plan.

D. Conduct of Work. In determining whether ACTUARY has performed its services hereunder to an appropriate level of skill and within the anticipated scope and range, it is understood and agreed by the parties hereto that the quality and quantity of ACTUARY's performance shall be measured against the representations included in ACTUARY's proposal.

3. Compensation. ACTUARY shall be compensated for its services as more completely described in Exhibit C, attached hereto and made a part hereof. Notwithstanding the compensation provisions of Exhibit C, in the event SERS determines that any price, profit or fee negotiated in connection with this Contract was materially increased because ACTUARY or any subcontractor furnished incomplete, inaccurate or antiquated cost or pricing information, such price, profit or fee shall be reduced accordingly and the parties promptly shall enter into a written

amendment hereof to memorialize such reduction. ACTUARY shall include the substance of the foregoing clause in any and all subcontracts.

4. Non-Appropriation. Any payment obligation of SERS or any portion thereof created by this Contract is conditioned upon the availability of Commonwealth funds appropriated or allocated for the payment of such obligation or any portion thereof. SERS shall notify ACTUARY at the earliest practicable opportunity in the event Commonwealth funds will not be available to support this Contract, whereupon this Contract shall terminate. No penalty shall accrue to SERS in this eventuality, and SERS shall not be obligated or liable for any future payments due or for any damages resulting from such termination.

5. Representations of ACTUARY.

(a) *Fiduciary Status.* ACTUARY acknowledges it is a “fiduciary” with respect to SERS and the Fund as such term is defined in Section 3(21)(A) of the Employee Retirement Income Security Act of 1974 (“ERISA”) and is not subject to any of the disqualifications described in Section 411 of ERISA, irrespective of the scope of ERISA application to SERS and the Fund.

(b) *Substantial Experience.* ACTUARY represents that it has substantial experience and expertise in providing the services contemplated by this Contract.

(c) *Reaffirmation.* ACTUARY hereby reaffirms the reliability and accuracy of the written and oral representations made to SERS in the solicitation of this Contract.

(d) *No Finder’s, Solicitor’s or Similar Fee.* Neither ACTUARY nor any affiliate, nor any of their respective partners, directors, officers, or employees have employed or retained any company or person, other than a bona fide employee working solely for ACTUARY, to solicit or secure this Contract, and none of the aforementioned parties have paid or agreed to pay, and shall not pay, any company or person, other than a bona fide employee working solely for ACTUARY, any fee, commission, percentage, brokerage fee, gift, or any other compensation contingent upon or resulting from the award or making of this Contract, except where: (A) ACTUARY has disclosed, in writing to SERS, that it has engaged such a company or person

other than a bona fide employee to secure this Contract, and (B) the cost of such engagement is not charged to SERS under the terms of compensation under this Contract or any subsequent agreement. For breach or violation of this representation, SERS shall have the right to void this Contract without liability, entitling SERS to recover all monies paid hereunder, and ACTUARY shall not make claim for, or be entitled to recover, any sum or sums due under this Contract or for any services which it may have provided under this Contract. This remedy, if effected, shall not constitute the sole remedy afforded to SERS for such breach or violation, nor shall it constitute a waiver of SERS' rights to claim damages or to take any other action provided for by law or pursuant to this Contract.

(e) *Reliance.* ACTUARY acknowledges that SERS has relied and will continue to rely upon ACTUARY's representations, warranties, confirmations and agreements in this Contract.

(f) *Notice of Change.* ACTUARY shall promptly notify SERS in the event any of the foregoing acknowledgments, representations, warranties or agreements herein shall no longer be true.

(g) *Compliance with Laws.* ACTUARY's conduct and actions for and on behalf of SERS shall at all times be in compliance with all applicable federal and state laws and regulations.

6. ACTUARY's Insurance. ACTUARY has and shall maintain during the term of this Contract (1) an errors and omissions insurance policy in the amount of at least \$10 million, and (2) Worker's Compensation Insurance for all of the ACTUARY's employees engaged in performing services in accordance with the Worker's Compensation Act of 1915 and any supplements or amendments thereof. ACTUARY shall assure that no cancellation or diminution of such insurance coverage shall occur without prior written notice to SERS. ACTUARY represents and warrants that the insurance coverage submitted to SERS (in the form of a certificate of insurance) prior to execution of this Contract is in full force and effect and is unmodified and that such representation and warranty shall survive execution of this Contract. ACTUARY shall thereafter submit a certificate of insurance for the above insurance coverage to SERS within thirty (30) days after renewal of the coverage.

7. Certification of Taxpayer Identification Number. Execution of this Contract constitutes certification by the Contractor that:

(a.) The number appearing on the Contract is the Contractor's correct taxpayer identification number (if no number is present, Contractor is waiting for a number to be issued), and

(b.) Contractor is not subject to backup withholding because: (i) Contractor is exempt from backup withholding, or (ii) Contractor has not been notified by the I.R.S. that it is subject to backup withholding as result of a failure to report all interest or dividends, or (iii) the I.R.S. has notified Contractor that it is no longer subject to backup withholding.

8. Changes in ACTUARY's Status. ACTUARY shall immediately notify SERS in writing in the event of any actual or proposed material change in ACTUARY's status, including without limitation, (a) change in or departure of directors, officers, partners, employees or affiliates who provide any material advice, or actuarial or consulting services under this Contract or change in such employees' status with regard to credentials or certifications, (b) material modification of corporate or partnership structure, (c) change in actual control, ownership or management of ACTUARY, (d) material change in any government or private registration, accreditation or licensing requirements affecting ACTUARY, (e) governmental or regulatory inquiries or investigations, actual litigation or administrative action, or similar proceeding, involving or alleging potential or actual violations by ACTUARY, any affiliate, or any of their respective partners, directors, officers, or employees, of any federal or state law related to its provision of actuarial, auditing or consulting services, including but not limited to, the terms and conditions under which such persons provide such services, (f) material deterioration in financial condition, including, but not limited to, the filing of a petition in bankruptcy, (g) ACTUARY's awareness that its representations and warranties herein cease to be true, and (h) written allegations or litigation alleging negligence, fraud or breach of contract by ACTUARY, any affiliate, or any of their respective partners, directors, officers, or employees.

9. Key Personnel. ACTUARY's personnel identified in its proposal (Exhibit B attached hereto) are essential to the work to be performed hereunder. Any personnel substitutions, additions or deletions (only deletions being proposed for reasons within the control of ACTUARY) may only occur with the prior written consent of the Executive Director of SERS, which consent shall not be unreasonably withheld or delayed. Furthermore, in the event personnel substitutions or additions are proposed, ACTUARY shall furnish to the Executive Director of SERS advance written notice of the circumstances giving rise to the substitution or addition, together with the resume of the person or persons ACTUARY proposes to substitute or add. The Executive Director of SERS shall promptly review and consider ACTUARY's proposal and consent to or reject such proposal in writing. In the event of a rejection the parties shall cooperate to identify other appropriate and qualified personnel that may be substituted for or added to the personnel identified in Exhibit B.

10. Indemnification of SERS. ACTUARY shall indemnify and forever hold harmless the Commonwealth of Pennsylvania, the Fund, SERS and its Board members, officers, agents and employees, from and against any and all losses, claims, demands, actions, or liability of any nature, including, but not limited to, attorneys' fees, expenses and court costs, based upon, arising out of or in connection with the negligent, reckless, willfully improper or illegal performance of services or failure to perform services under this Contract, actions outside the scope of authority, or other breach of this Contract, by ACTUARY, an affiliate, their respective partners, directors, officers, employees and agents selected by them and performing services under this Contract for or on behalf of SERS. At SERS' option and in its sole discretion, ACTUARY shall defend at its expense actions brought against the Commonwealth of Pennsylvania, the Fund, SERS and its Board members, officers, agents and employees arising out of or in connection with any services performed or the failure to perform services, or other breach of this Agreement, by ACTUARY, an affiliate, their respective partners, directors, officers, employees and agents selected by them and performing services for or on behalf of SERS, and the costs of such defense shall be borne by ACTUARY, and shall not constitute an expense of, and shall not be paid out of, SERS' assets.

11. Confidentiality of Reports and Other Information. All reports and documents relating to SERS which ACTUARY may prepare and deliver hereunder, shall be confidential and

shall become the property of SERS and shall not be published, circulated, or used in any manner by ACTUARY without SERS' prior written approval, except as required by law. All information relating to SERS, whether in written or spoken form, that SERS provides to ACTUARY or that is learned by ACTUARY in connection with providing services to SERS, shall be confidential and shall not be disclosed, published, circulated, or used in any manner by ACTUARY without SERS' prior written approval, except as required by law. ACTUARY shall require its affiliates, and its and the affiliates' partners, directors, officers and employees to comply with the provisions of this Section 11 to the same extent as ACTUARY.

12. Conflict of Interest. ACTUARY covenants on behalf of itself, all affiliates, and their respective partners, directors, officers and employees, that none of the aforementioned parties has an interest and shall not acquire any interest, direct or indirect, that would conflict in any material manner or degree with the performance of its services hereunder. ACTUARY further covenants that in the performance of this Contract, that neither it nor any of the aforementioned parties will knowingly employ any person having any such conflicting interest.

13. Commonwealth Contract Provisions. In performing services hereunder, ACTUARY shall comply with the Commonwealth contract provisions attached hereto as Part V. Terms and Conditions of the RFP and incorporated herein. For purposes of those Terms and Conditions, ACTUARY shall be considered the "Contractor."

14. Recycled Content Products Provisions. The issuing office has determined that the recycled content products provisions normally required in all Commonwealth contracts are not applicable to this Contract due to the type of services being provided by this Contractor. This determination was based on the fact that no material type products included on the Department of General Services "List of Products and Procurement Guidelines" are being requested under this Contract.

15. Maintenance, Preservation and Review of Records. ACTUARY shall maintain and preserve such records, books and other documents generated in connection with its performance of services hereunder during the term of this Contract and any extension thereof and

for four (4) years thereafter. During such period SERS, or any other department or representative of the Commonwealth of Pennsylvania, from time to time upon reasonable notice, shall have the right to inspect, duplicate and audit such records, books and other documents at ACTUARY's office during normal business hours for all purposes authorized and permitted by law. ACTUARY may preserve such records, books and other documents in original form or on microfilm, magnetic tape, CD-ROM or any other generally recognized and accepted process.

16. Notices. Notice pursuant to Part V. 45 of the Terms and Conditions in the RFP shall be as follows:

SERS: Executive Director
COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM
30 North Third Street, Suite 150
Harrisburg, Pennsylvania 17101-1716
Facsimile: 717-783-7300

Copies to: Director, Office of Member Services
(Same address as directly above)
Facsimile: 717-783-7300
and
Chief Counsel
Facsimile: 717-787-5751

ACTUARY: _____

Facsimile: _____

17. Termination and Expiration.

(a) *Expiration.* This Contract shall expire on _____, unless terminated earlier as provided herein.

(b) *Termination.* ACTUARY may terminate this Contract by furnishing written notice to SERS not less than one hundred twenty (120) days prior to the effective date of termination, and SERS reserves the right to terminate this Contract at any time (Part V.27a –

Termination for Convenience, generally), for any reason, by furnishing written notice to ACTUARY, whereupon and in either of such events:

A. ACTUARY's fees for services under this Contract shall be prorated on the basis of work completed and fifty percent (50%) of such amount shall be paid upon termination.

B. ACTUARY shall deliver to SERS, in the manner and extent directed by the SERS Executive Director or designee, any partially completed reports, all of SERS' data and such other documentation as ACTUARY specifically produced or acquired for the performance of services hereunder. ACTUARY shall also furnish to SERS within thirty (30) days after the effective date of such termination, a final report on its actuarial and consulting activities.

C. Upon SERS' receipt and acceptance of ACTUARY's partially completed reports, SERS' data and other documentation, and ACTUARY's final report, the remaining fifty percent (50%) of the fees payable to ACTUARY shall be paid.

(c) *Liability.* Any such termination shall not relieve ACTUARY of any liability that may be incurred in connection with its actuarial or consulting activities under this Contract, which liability shall survive termination.

18. Reservation of Immunities. SERS reserves all immunities, defenses, rights or actions arising out of its status as an instrumentality of a sovereign state or entity, or under the Eleventh Amendment to the United States Constitution, and no waiver of any such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by its entry into this Contract, by any express or implied provision of this Contract or by any actions or omissions to act of SERS or any representative or agent of SERS, whether taken pursuant hereto, or prior to or after the entry by SERS into this Contract.

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

20. Severability. If any one or more of the covenants, agreements, provisions or terms of this Contract shall be held contrary to any express provision of law, or contrary to the policy of express law though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Contract and shall in no way affect the validity or enforceability of the remainder of this Contract or the rights of the parties hereto provided that this Contract, absent any such invalid or unenforceable provisions, would not materially differ from the intent of the parties.

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

(Signature Page Immediately Follows this Page)

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have caused this Contract for Actuarial and Pension Plan Consulting Services to be executed as of the date first above written.

ATTEST:

Federal Tax Identification Number: _____

BY: _____
Name:
Title:
Date:

BY: _____
Name:
Title:
Date:

**COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT
SYSTEM**

Federal Tax Identification Number: _____

BY: _____
Name:
Title: Chairman
Date:

Approved for form and legality:

Approved:

BY: _____
NAME:
TITLE:
Office of Attorney General

BY: _____
NAME: _____ Date
SERS Counsel

BY: _____
NAME: _____ Date
TITLE:
Office of General Counsel

Comptroller _____ Date



SOLICITATION ADDENDUM

Date: **December 22, 2015**
Subject: **Responses to Questions**
Solicitation Number: **SERS 2015-028**
Due Date/Time: **January 8, 2015 4:30 PM**
Addendum Number: **1**

To All Suppliers:

The Commonwealth of Pennsylvania defines a solicitation "Addendum" as an addition to or amendment of the original terms, conditions, specifications, or instructions of a procurement solicitation (e.g., Invitation for Bids or Request for Proposals).

List any and all changes:

Please see the attached document containing all questions and responses received that were submitted on or before the December 15, 2015 deadline.

Type of Solicitation: Electronic Bid (SRM) - Review the Questions section of your solicitation response to ensure you have responded, as required, to any questions relevant to solicitation addenda issued subsequent to the initial advertisement of the solicitation opportunity.

Except as clarified and amended by this Addendum, the terms, conditions, specifications, and instructions of the solicitation and any previous solicitation addenda, remain as originally written.

Respectfully,

Name: Joshua D. Smith
Title: Management Analyst 2
Phone: 717-237-0327
Email: smjoshua@pa.gov

QUESTIONS / ANSWERS
ACTUARIAL SERVICES AND PENSION PLAN CONSULTING
SERS 2015-028

Question #	RFP Page # (If Known)	RFP Section Reference (If Known)	Question (Required)	Answer (Required)
1	16	Part I-12	How many paper copies of the Cost Submittal do you require?	Two copies of the Cost Submittal (placed in one separately sealed envelope as stated in the RFP instructions) will be sufficient in responding to the RFP requirements.
2	N/A	N/A	What were the fixed and variable fees paid to the current actuary over the last 5 years?	At the present time, fees paid to the current actuary have totaled approximately \$1,792,649.48 that includes \$353,124.93 in fixed fees and \$1,439,524.55 in variable fees. This amount represents work performed from 7/1/2011 - 11/15/2015.
3	N/A	N/A	What percentage of the work for the current contract is performed by a Small Diverse Business?	The current contract does not utilize a Small Diverse Business component.
4	16	Part I-12	Please clarify how many paper copies of the Cost Submittal are to be submitted?	Please see the response to Question 1 above for the response to this question.
5	36	Part V-23	Please confirm that V.23 CONTRACT-019.1 Hold Harmless Provision (Nov 30 2006), in PART V, CONTRACT TERMS AND CONDITIONS, controls the contract's indemnification provisions.	V.23 Contract - 019 Hold Harmless Provision (Nov 30 2006), in PART V, CONTRACT TERMS AND CONDITIONS and Section 10 of Appendix F Indemnification of SERS both pertain to the contract's indemnification provisions.
6	N/A	Appendix F	Regarding Section 5(a) of Appendix F, please clarify what in the nature of the duties to be performed by the actuary for SERS would make the actuary a fiduciary (as defined in ERISA) with respect to SERS and the Fund.	Section 5(a) of Appendix F provides that it is the actuary that is representing that it acknowledges it is a "fiduciary," as defined in ERISA, with respect to SERS and the State Employees' Retirement Fund.