



STATE OF TENNESSEE
TREASURY DEPARTMENT

**REQUEST FOR PROPOSALS # 30901-56323
AMENDMENT # 1
FOR ACTUARIAL SERVICES FOR THE TENNESSEE
CONSOLIDATED RETIREMENT SYSTEM**

DATE: FEBRUARY 15, 2024

RFP # 30901-56323 IS AMENDED AS FOLLOWS:

1. This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.

EVENT	TIME (central time zone)	DATE	CONFIRMED OR UPDATED
1. RFP Issued		January 25, 2024	CONFIRMED
2. Disability Accommodation Request Deadline	2:00 p.m.	January 30, 2024	CONFIRMED
3. Pre-response TeleConference	10:00 a.m.	January 31, 2024	CONFIRMED
4. Notice of Intent to Respond Deadline	2:00 p.m.	February 2, 2024	CONFIRMED
5. Written "Questions & Comments" Deadline	2:00 p.m.	February 7, 2024	CONFIRMED
6. State Response to Written "Questions & Comments"		February 15, 2024	CONFIRMED
7. Technical Response and Cost Proposal Deadline	2:00 p.m.	March 4, 2024	CONFIRMED
8. State Completion of Technical Response Evaluations		March 18, 2024	CONFIRMED
9. State Schedules Respondent Oral Presentation (Respondent Finalists Only)		March 19, 2024	CONFIRMED
10. Respondent Oral Presentation (Respondent Finalists Only)		March 20, 2024 – March 21, 2024	CONFIRMED
11. State Opening & Scoring of Cost Proposals (Respondent Finalists Only)		March 21, 2024	CONFIRMED
12. Negotiations (Optional to the State)		March 22, 2024 – March 27, 2024	CONFIRMED

13. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection		April 1, 2024	CONFIRMED
14. End of Open File Period		April 8, 2024	CONFIRMED
15. State sends contract to Contractor for signature		April 9, 2024	CONFIRMED
16. Contractor Signature Deadline	2:00 p.m.	April 12, 2024	CONFIRMED

2. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE																		
1. Can you provide a breakdown of the fees for each of the items listed in Attachment 6.3 of the RFP over the past 3 years?	Attached as “ RFP Amendment Attachment 1 ” is the cost section of the current contract. NOTE: The cost section in the current contract is different from the contract for this RFP. A respondent must only record its proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide <u>and must NOT record any other rates, amounts, or information.</u>																		
2. Can you provide the fees paid to the current actuary for the past two years split between recurring and non-recurring services (as defined in A.12)?	<p>Other TCRS Actuarial Services</p> <table border="1"> <thead> <tr> <th></th> <th>FY 2022</th> <th>FY 2023</th> </tr> </thead> <tbody> <tr> <td>Changes in benefit or funding provisions</td> <td>-</td> <td>-</td> </tr> <tr> <td>Legislative proposal support & analysis</td> <td>21,900</td> <td>17,250</td> </tr> <tr> <td>Admin Factor *</td> <td>-</td> <td>-</td> </tr> <tr> <td>Other actuarial services</td> <td><u>20,532</u></td> <td><u>16,219</u></td> </tr> <tr> <td></td> <td><u>42,432</u></td> <td><u>33,469</u></td> </tr> </tbody> </table> <p>* included in cost of experience study</p>		FY 2022	FY 2023	Changes in benefit or funding provisions	-	-	Legislative proposal support & analysis	21,900	17,250	Admin Factor *	-	-	Other actuarial services	<u>20,532</u>	<u>16,219</u>		<u>42,432</u>	<u>33,469</u>
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3. What percentage of the current contract is for participation by business enterprises owned by minorities, women, service-disabled veterans, persons with disabilities and small business enterprises?	None.																		
4. When is the census data for the actuarial valuations sent to the actuary?	Census data for the actuarial valuations are sent in August of each year with responses to various questions related to the data finalized by early September.																		
5. For services that are based on an hourly rate, can the hourly rates be provided based on the employee’s title/position, or does the rate need to be a blended rate?	It needs to be a blended rate.																		

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<p>6. RFP Attachment 6.3 “Cost Proposal & Scoring Guide” indicates that proposed cost should be provided annually for July 1, 2024 through June 30, 2031, while years July 1, 2031 through June 30, 2034 are in the “State Use ONLY” section. Should respondents include annual costs for July 1, 2031 through June 30, 2034? If so, should this information be included in the “State Use ONLY” section?</p>	<p>Yes, Respondents must complete the cost line items for July 1, 2031 through June 30, 2034 in the Cost Proposal & Scoring Guide.</p> <p>In the heading under the respondent’s name area there are two sections (Proposed Cost) and (State Use ONLY). The cells for State Use ONLY were inadvertently merged over the columns of where respondents are to enter cost for July1, 2031- June 30, 2032, July 1, 2032 – June 30, 2033, and July 1, 2033 – June 30, 2034. See the revised Cost Proposal & Scoring Guide where that dividing line in the top row has been corrected.</p>
<p>7. Please provide the July 1, 2023 through June 30, 2024 fees that are currently being paid for each cost item included in RFP Attachment 6.3 “Cost Proposal & Scoring Guide”.</p>	<p>See response to Question 1 above.</p>
<p>8. Please provide at least one (1) sample of the separate valuations that were completed for a participating Political Subdivision.</p>	<p>Please see separate attachments “Participation Study 2020” and “Participation Study 2024”.</p>
<p>9. Please indicate the States annual timing needs for the delivery of the actuarial valuations and when the census data and asset information is typically available.</p>	<p>The TCRS Board of Trustees approves the recommended actuarially determined contributions (ADC) for the legacy plans in the final quarter of the calendar year (late November, early December). The ADC for the hybrid plans is approved by the TCRS Board of Trustees in the first quarter of the calendar year (March). The ADC for each political subdivision is provided in the first quarter of the calendar year. The census data (active and retired lives) is provided in August. Plan provisions for each of the plans sponsored by political subdivisions are supplied in August. Finally, assets are provided in September.</p>
<p>10. Does the system have any concerns with the current level of service being provided by your current actuary?</p>	<p>No.</p>
<p>11. With respect to Section A. 15 [Statutes Incorporated By Reference], Respondent and the State have separate obligations under applicable law, i.e. there are laws that apply to the State and not Respondent, and laws that apply to Respondent and not the State in the consumption and performance of the services. Therefore, Respondent requests the following modification:</p> <p>A.15 Statutes Incorporated by Reference. The Contractor shall comply with all state and federal laws pertaining-as applicable to TCRS Contractor in the performance of Services hereunder, as may be amended from time to time, and all such laws are incorporated herein by reference.</p>	<p>The State respectfully declines. The State expects the contractor to comply with all state and federal laws pertaining to TCRS in performing the services under the contract.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>12. With respect to Section A. 16 [Assignment of Key Personnel], Respondent has no control over certain life/employment actions regarding its employees, for example, if an employee dies, goes on leave, is promoted or demoted. Therefore, Respondent requests the following modification:</p> <p>A.16 Assignment of Key Personnel. The Contractor agrees to assign the individuals named on pages [PAGE NUMBERS FROM SUCCESSFUL PROPOSAL WHICH RESPOND TO SECTION B.13 of RFP ATTACHMENT 6.2] of the Contractor's Proposal as the key staff members to perform the services under this Contract. Except upon the State's prior written consent, which consent <u>shall not be unreasonably withheld may be withheld in the State's sole discretion</u>, the Contractor shall not remove or temporarily reassign any of the named individuals until such time as the Contractor has completed the services under this Contract. Should the State consent to such removal or reassignment, the State reserves the right to approve the candidates proposed by the Contractor as a replacement.</p> <p>Notwithstanding the foregoing, the Contractor shall have the right to remove or reassign such personnel upon notice to the State if such removal or reassignment is required due to <u>voluntary or involuntary</u> termination of employment, <u>leave</u>, extended illness, <u>promotion, other employment action taken by Contractor</u>, or death. In such event, the State reserves the right to approve the candidates.</p>	<p>See Item 3 below for an amendment to Section A.16 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p>
<p>13. With respect to Section A. 17 [Representations and Warranties], Respondent does not offer any warranties, expressed or implied, other than the warranties that are stated in the contract. Therefore, Respondent requests the following modification of the second paragraph only:</p> <p>The Contractor shall promptly notify the State in writing if any of the above representations change or cease to be true and correct in all respects. <u>THE FOREGOING EXPRESS WARRANTIES ARE OFFERED IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE WARRANTY FOR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.</u></p>	<p>The State respectfully disagrees. The additional language is not necessary.</p>
<p>14. With respect to Section A. 20 [Cyber Incidents or Breaches], Respondent offers numerous remediation efforts and strategies which are as follows: (i) the reasonable cost of providing legally required notice of the breach to affected individuals; (ii) the reasonable cost of providing legally required notice of the breach to government agencies and/or other required entities; (iii) the reasonable cost of providing affected individuals with credit monitoring services for a specific period not to exceed [twenty 24] months; (iv) the reasonable costs of</p>	<p>The State respectfully declines.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>providing call center support for affected individuals for a specific period not to exceed [sixty] calendar days; and (v) the reasonable costs associated with computer forensic work required for security incident investigations. Is the State open to limiting the remediation efforts and strategies to the ones listed here rather than what is in Section A. 20?</p>	
<p>15. With respect to Section A. 20 [Cyber Incidents or Breaches], Respondent interprets such clause to be subject to the limitation of liability as set forth in Section D. 18 [Limitation of Contractor's Liability]. Is this the correct interpretation?</p>	<p>Yes; however, the successful respondent must carry the insurance specified in Section A.20 and elsewhere in the contract.</p>
<p>16. If the answer to Respondent's Question No. 5 is "No", Respondent does not offer unlimited liability on security or data breaches to its clients. However, Respondent does offer Super Caps in the form of an enhancement on the limitation of liability. Therefore, Respondent requests the following be added to Section D. 18 [Limitation of Contractor's Liability]:</p> <p><i><u>For any unauthorized dissemination, access to, or potential disclosure of personal information, security breach, or cyber incident, the State agrees that Consultant's liability for any losses, liabilities, claims, damages, costs and expenses (including reasonable attorneys' fees) in connection with the remedies as listed in Section A. 20 [Cyber Incidents or Breaches] and this Section D. 18 [Limitation of Liability] shall not exceed [X] times the Maximum Liability as set forth in Section C. 1 [Maximum Liability] (the "Super Cap"). For clarity, this Super Cap is an enhancement on, and not in addition to, the liability cap set forth herein.</u></i></p>	<p>N/A</p>
<p>17. With respect to Section A. 21 [Transfer of Contractor's Obligations], Respondent was purchased by Respondent's parent company, which is a publicly traded company, in April 2023 and may merge with one of Respondent's affiliates during the term of this contract. Respondent's parent company owns both Respondent and Respondent's affiliate, making them siblings. Does Section A. 21 apply to Respondent in the event such merger takes place during the term of the contract seeing as Respondent's parent company is a publicly traded company with all of its financial information available at any time? If yes, please provide the State of Tennessee statute where this information is required to be disclosed in such transaction.</p>	<p>Yes, if a separate legal entity would assume the Respondent's duties under the contract. This is a contractual requirement.</p>
<p>18. With respect to Section A. 22 [Transition of Services Upon Termination], Respondent will aid the State in transition to a new vendor in the event the State exercises its termination rights. However, most transition services are unknown to Respondent and the State and dictated by the new vendor's meetings, inquiries, and other transitional</p>	<p>The State respectfully declines.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>schedule. Therefore, Respondent requests the following be modified in the third paragraph of Section A 22:</p> <p><u>Notwithstanding the Maximum Liability as stated in Section C. 1 of this Contract, all transition services Contractor is required to fulfill shall be invoiced to the State on a time and materials basis at Contractor's then-current hourly rate. Each Party shall be responsible for its own expenses to facilitate the transition; provided that dDuring the transition phase, the State shall continue to pay the Contractor the agreed upon fees for the services performed by the Contractor under this Contract.</u></p>	
<p>19. With respect to Section C. 7 [Invoice Reductions], Respondent requests this clause be removed in its entirety as it mimics a most favored nations or most favored customer clause, which Respondent is unable to comply as Respondent provides the same service to multiple clients which are simply incomparable due to the size, nature, and structure of the applicable pension plan.</p>	<p>The State respectfully declines. Section C.7 is not a most favored nations or most favored customer clause. It is merely stating that if it is subsequently found through an audit that the State overpaid the successful vendor (based on the payment terms of the contract), the State may reduce the amount owed in a subsequent invoice by the amount of the overpayment.</p>
<p>20. With respect to D. 19 [Hold Harmless], Respondent requests two items: (i) the term "negligent" be modified to "gross negligence", and (ii) the last word of the first paragraph be changed from "Contract" to "Section". In the event Respondent or its personnel are simply "negligent", the State has a direct path to recovery under a breach of contract claim.</p>	<p>The State respectfully declines.</p>
<p>21. When is the census data generally provided to the actuary for the actuarial valuation of the Legacy Pension Plans?</p>	<p>Active and retired lives files for all plan designs, i.e., legacy, hybrid, and local governments, are provided in August of each year.</p>
<p>22. When is the census data generally provided to the actuary for the actuarial valuation of the Hybrid Pension Plans?</p>	<p>Refer to response to question 21.</p>
<p>23. When is the census data generally provided to the actuary for the actuarial valuation of the Local Government Agent Pension Plans (Political Subdivisions)?</p>	<p>Refer to response to question 21.</p>
<p>24. When are the final assets generally provided to the actuary for the actuarial valuation of the Legacy Pension Plans? If preliminary assets are generally provided to the actuary as part of the annual actuarial valuation, when are the preliminary assets generally provided for the Legacy Pension Plans?</p>	<p>The final assets for all plan designs, i.e., legacy, hybrid, and local governments, are provided in late September of each year.</p>
<p>25. When are the final assets generally provided to the actuary for the actuarial valuation of the Hybrid Pension Plans? If preliminary assets are generally provided to the actuary as part of the annual actuarial valuation, when are the preliminary assets generally provided for the Hybrid Pension Plans?</p>	<p>Refer to response to question 24.</p>
<p>26. When are the final assets generally provided to the actuary for the actuarial valuation of the Political</p>	<p>For political subdivisions, the plan provisions file contains the employee and employer assets prior</p>

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Subdivisions? If preliminary assets are generally provided to the actuary as part of the annual actuarial valuation, when are the preliminary assets generally provided for the Political Subdivisions?			to investment income is posted in early August. Final assets are provided in September after income is posted.
27. Would the State consider the following modification to the Pro Forma Contract:			The State respectfully declines since there are no amounts to be aggregated. The maximum liability will be one flat dollar amount.
Section	Page	Exception	
Contract Section D.18.	61	In accordance with Tenn. Code Ann. § 12-3-701, the Contractor’s liability for all claims arising under this Contract shall be limited to an aggregate amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death. For clarity, except as otherwise expressly set forth in this Section, Contractor’s indemnification obligations and other remedies available under this Contract are subject to the limitations on liability set forth in this Section.	
28. Would the State consider the following modification to the Pro Forma Contract:			The State respectfully declines. Any action against the State for breach of a written contract is required by law to be brought in the Tennessee Claims Commission. See, Tenn. Code Ann. § 9-8-307.
Section	Page	Exception	
Contract Section D.26.	63	This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict or choice of law rules. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. Both parties agree to waive the right to a trial by jury. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 408.	

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<p>29. Would the State consider the following modification to the Pro Forma Contract:</p> <table border="1"> <thead> <tr> <th>Section</th> <th>Page</th> <th>Exception</th> </tr> </thead> <tbody> <tr> <td>Contract Section E.5. New Section</td> <td>72</td> <td>We ask that the following be added as a new Section E.5 to the Contract: Tool Development. Contractor shall retain all rights, title and interest (including, without limitation, all copyrights, patents, service marks, trademarks, trade secret and other intellectual property rights) in and to all technical or internal designs, methods, ideas, concepts, know-how, techniques, generic documents and templates (“Tools”) that have been previously developed by Contractor or such Tools developed during the course of the provision of the Services provided such Tools do not contain and/or are not based upon or derived from any State Confidential Information or proprietary data. Rights and ownership by Contractor of its Tools shall not extend to or include all or any part of State’s proprietary data or State Confidential Information. To the extent that Contractor may include in the materials any Tools, Contractor agrees that State shall be deemed to have a fully paid up perpetual license to make copies of the Tools as part of this engagement for its internal business purposes and provided that such Tools cannot be modified or distributed outside State without the written permission of Contractor or except as otherwise permitted herein.</td> </tr> </tbody> </table>			Section	Page	Exception	Contract Section E.5. New Section	72	We ask that the following be added as a new Section E.5 to the Contract: Tool Development. Contractor shall retain all rights, title and interest (including, without limitation, all copyrights, patents, service marks, trademarks, trade secret and other intellectual property rights) in and to all technical or internal designs, methods, ideas, concepts, know-how, techniques, generic documents and templates (“Tools”) that have been previously developed by Contractor or such Tools developed during the course of the provision of the Services provided such Tools do not contain and/or are not based upon or derived from any State Confidential Information or proprietary data. Rights and ownership by Contractor of its Tools shall not extend to or include all or any part of State’s proprietary data or State Confidential Information. To the extent that Contractor may include in the materials any Tools, Contractor agrees that State shall be deemed to have a fully paid up perpetual license to make copies of the Tools as part of this engagement for its internal business purposes and provided that such Tools cannot be modified or distributed outside State without the written permission of Contractor or except as otherwise permitted herein.	<p>See Item 4 below for an amendment to Section A.18 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p>
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<p>30. Would the State consider the following modification to the Pro Forma Contract:</p> <table border="1"> <thead> <tr> <th>Section</th> <th>Page</th> <th>Exception</th> </tr> </thead> <tbody> <tr> <td>Contract Section E.6. New Section</td> <td>72</td> <td>We ask that the following be added as a new Section E.6 to the Contract: Third Party Distribution. Contractor's work is prepared solely for the use and benefit of State in accordance with its statutory and regulatory requirements. Contractor recognizes that materials it delivers to State may be public records subject to disclosure to third parties, however, Contractor does not intend to benefit and assumes no duty or liability to any third parties who receive Contractor's work and may include disclaimer language on its work product so stating. State agrees not to remove any</td> </tr> </tbody> </table>			Section	Page	Exception	Contract Section E.6. New Section	72	We ask that the following be added as a new Section E.6 to the Contract: Third Party Distribution. Contractor's work is prepared solely for the use and benefit of State in accordance with its statutory and regulatory requirements. Contractor recognizes that materials it delivers to State may be public records subject to disclosure to third parties, however, Contractor does not intend to benefit and assumes no duty or liability to any third parties who receive Contractor's work and may include disclaimer language on its work product so stating. State agrees not to remove any	<p>The State respectfully declines. Third parties, such as political subdivisions and other Tennessee state agencies, receive actuarial information or reports prepared by the actuary.</p>
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<p>such disclaimer language from Contractor's work. No third party recipient of Contractor's work product should rely upon Contractor's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs. Notwithstanding anything herein to the contrary, the State shall not use, nor permit others to use, Contractor's name in connection with any offering, prospectus, securities filing, or solicitation of investment.</p>	
<p>31. Please provide the fees for TCRS Annual Actuarial Valuations as described in Section A.2 of the Pro Forma Contract (RFP Attachment 6.6), and the GASB-related services described in Section A.3. of the Pro Forma Contract (RFP Attachment 6.6) for the two most recent years.</p>	<p>See response to Question 1 above.</p>
<p>32. Please provide the fees for the calculation of Excess Benefits described in Section A.8. of the Pro Forma Contract (RFP Attachment 6.6) for the two most recent years.</p>	<p>See response to Question 1 above.</p>
<p>33. Please provide the fee for the most recent TCRS Actuarial Experience Study as described in Sections A.4.a. and A.4.c. of the Pro Forma Contract (RFP Attachment 6.6).</p>	<p>See response to Question 1 above.</p>
<p>34. Please provide hourly rates (or a single hourly rate) for the past two years for other Actuarial Services as described in Sections A.4.b. and A.12 of the Pro Forma Contract (RFP Attachment 6.6).</p>	<p>See response to Question 1 above.</p>
<p>35. Are sensitivity and/or stress test analyses generally only performed for the Hybrid and Legacy plans, or are these tests done at political subdivision plan levels as well?</p>	<p>Historically, sensitivity/stress test analysis has been performed on the state and teacher hybrid and legacy plans. Expanding the stress/sensitivity analysis to groups of political subdivisions is desired in the future.</p>
<p>36. When are final census data and financial information typically provided to the actuary?</p>	<p>Original census data is provided in August. TCRS responds to various questions related to data with final approval given in early September. Assets are finalized in September after income is posted.</p>
<p>37. In addition to individual GASB reports (including suggested accounting entries, notes and RSI) and the Employer Actuarial Determined Contribution Rate summary sheet, do political subdivisions receive any other actuarial information or reports on an annual basis from the actuary?</p>	<p>No, these are the only items currently provided on an annual basis to the political subdivisions.</p>
<p>38. Are there typically any additional in-person meetings beyond the four meetings detailed in the RFP?</p>	<p>No.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>39. Regarding the Reference Questionnaire on page 39, please clarify the second bullet that asks for a reference questionnaire from three (3) completed contracts that are similar in size and scope to the services required by this RFP.</p>	<p>A completed contract could be one that expired by its own terms even though the Respondent subsequently procured and is performing the same services under a new contract with the same client. A completed contract could only be one that expired by its own terms or was terminated, and the Respondent did not reprocur the new contract with the same client.</p>
<p>40. Will the State be amenable to amending Section A.18 of the <i>Pro Forma</i> Contract as follows?</p> <p>A.18. Data Ownership; State Data; and Storage. <u>The State agrees to supply to Contractor (either directly or through State's agents and representatives) on a timely basis all of the State Data reasonably needed and requested by Contractor to perform the Services, in a usable format. Contractor will have the right to reasonably rely on the accuracy and completeness of State Data and will have no responsibility for independently verifying or checking State Data for accuracy or completeness. The State will notify Contractor promptly upon gaining knowledge of any material change to State Data. The State acknowledges and agrees that Contractor shall have no liability for errors resulting from latent defects in State Data or State's failure to notify Contractor of changes to State Data.</u> The State is the exclusive owner of all of the State Data, information, documents or records transmitted to the Contractor pursuant to the terms of this Contract. The Contractor shall not change, alter, delete, manipulate-or destroy the State Data, information, documents or records without the express written consent of the State <u>except as necessary to provide the Services</u> or as otherwise provided in this Contract. Additionally, the Contractor shall not transmit, transfer, send, submit, sell, disclose, assign or lease the State Data, information, documents or records to any other individual or entity without the express written consent of the State. <u>In addition to the Services, Contractor is authorized to use State Data for internal purposes and may aggregate State Data with other data collected by Contractor and distribute such data, or analysis of such data, to third parties, provided such distributed data does not identify State or any State employees or participants or beneficiaries under an employee benefit plan sponsored by the State. For the avoidance of doubt, Contractor will not sell or otherwise receive remuneration for State Data or materials derived from State Data.</u> At any time during the Contract Term or upon the expiration or termination of this Contract, the State may request that the Contractor send the State Data, information, documents, and records back to the State in the same form or format in which it was transmitted to the Contractor. <u>Notwithstanding the foregoing, the Contractor may retain copies of State Data for archival purposes related to memorializing the Services and complying with its then-existing document</u></p>	<p>See Item 4 below for an amendment to Section A.18 of the <i>Pro Forma</i> Contract, RFP Attachment 6.6.</p>

QUESTION / COMMENT	STATE RESPONSE
<p><u>retention and business continuity programs. The Contractor will maintain such State Data in accordance with its obligations under this Contract, and not further use or disclose State Data for any purpose, until all copies are destroyed in accordance with the Contractor's document retention policy. The Contractor shall not retain a copy of the State Data, information, documents, and records once they are transmitted by the Contractor to the State.</u> For purposes of this Contract, "State Data" means all data or information pertaining to the State, its business, and individual TCRS members and their respective beneficiaries that is acquired or created by the Contractor or acquired or created by a subcontractor of the Contractor in the furtherance of this Contract, including, but not limited to, Confidential Information (as defined in Section D.34 below), PII (as defined in Section E.4 below), and Confidential State Data (as defined in Section E.2. below). The Contractor and the State will agree on the secure method of transmission and maintenance of State Data which will be encrypted at the file level while in flight from the State to the Contractor, in flight from the Contractor back to the State, and at rest while being maintained by the Contractor. If the State Data is retained on a file transfer platform, the Contractor shall ensure that State Data shall not be retained on such system for any longer than is needed, and in any case, for no more than twenty-four (24) hours<u>thirty (30) days</u> after transmission to the Contractor or to a subcontractor of the Contractor. <u>The State acknowledges that, in providing the Services, the Contractor will distribute or make available certain proprietary materials ("Contractor's Proprietary Information"), including, but not limited to, publications, software, know-how, techniques, methodologies and report formats. Except to the extent that they are or incorporate Contractor's Proprietary Information, all documents, data, and other tangible materials authored or prepared and delivered by the Contractor to the State under the terms of this Contract (collectively, the "Deliverables"), are the sole and exclusive property of the State, once paid for by the State. To the extent that Contractor's Proprietary Information is incorporated into such Deliverables, the State will have a perpetual, fully paid, non-exclusive, non-transferable and non-sublicensable right to use, copy, and modify Contractor's Proprietary Information as part of the Deliverables internally and for their intended purpose. The Contractor will not have any responsibility or liability for use of any Deliverable in any manner other than for the intended purpose.</u></p>	
<p>41. Will the State be amenable to amending Section A.20 of the <i>Pro Forma</i> Contract as follows?</p> <p>A.20. <u>Cyber Incidents or Breaches.</u> The Contractor shall notify the State immediately, but no later than twenty-four (24) hours<u>as soon as practicable, but no later than</u></p>	<p>The State respectfully disagrees.</p>

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<p>three (3) business days of the Contractor becoming aware of a suspected or confirmed instance of any unauthorized access to or potential disclosure of State Data in the custody or control of the Contractor by virtue of the services provided to the State hereunder or in the custody or control of a subcontractor used by Contractor under this Contract, or a file transfer platform (a "Security Incident") that maintains State Data. Immediately thereafter, the Contractor shall provide regular updates to the State all information and reports relative to the Security Incident; this includes information and reports in the possession of any subcontractor or cyber security firm acting on behalf of the Contractor for the purpose of related to Contractor's responding response, containing containment, or remediationg against such Security Incident. The Contractor shall take all necessary measures to halt any further unauthorized disclosures. The Contractor will (i) at State's sole discretion, either undertake appropriate remediation efforts at its sole expense or reimburse the State for State's reasonable costs and expenses in connection with taking remediation efforts, and (ii) ensure that the plan associated with such remediation efforts includes components aimed at preventing the recurrence of the same type of Security Incident. The State shall have the sole right to determine remediation efforts, and (i) whether notice of any Security Incident will be provided to any individuals, regulators, law enforcement agencies or consumer reporting agencies and (ii) the contents of such notice, whether any type of remediation may be offered to affected individuals, and the nature and extent of any such remediation. Notwithstanding the foregoing, The Contractor shall not provide notification to individuals affected by the Security Incident without the consent of the State; however, the Contractor may, without the State's approval, provide notice of any Security Incident if required by law, rule, or regulation or at the request of any governmental or regulatory authority whose request must be honored pursuant to law or regulation and only to the extent specifically required.</p> <p>Notwithstanding anything in this Contract to the contrary, the State reserves the right to use the Contractor's name in the notification of any such Security Incident. The Contractor agrees to pay reasonable and actual costs associated with providing notification of the Security Incident to affected individuals and any associated mitigation costs incurred by State including, but not limited to, costs associated with the State providing its own notification to affected individuals, in addition to the notification provided by the Contractor. The Contractor also agrees to pay the actual costs for identity theft and restoration services, credit monitoring, and identity theft insurance coverage up to at least one million dollars (\$1,000,000) in stolen funds per affected individual, if the</p>	

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<p>State determines in its sole discretion that a Security Incident by the Contractor is significant enough to warrant such measures required by law or the parties mutually agree that such services are warranted under the circumstances. The Contractor shall also reimburse State for all other reasonable costs, expenses, damages, and other losses resulting from any Security Incident involving State Data.</p> <p>Upon written or oral notice by the State to do self required by law or mutually agreed to by the parties, the Contractor shall by no later than ten (10) business days after receipt of the notice provide all affected individuals with notification of the breach and with access to the following for up to at least twelve (12) months: identity theft and restoration services, credit monitoring, and identity theft insurance coverage up to at least one million dollars (\$1,000,000) in stolen funds per affected person, and call center services. Notification of the breach and access to identify theft protection and restoration services, credit monitoring services, and identity theft insurance coverage occurs when the Contractor puts a letter in the mail as first-class mail using the U.S. Postal Service notifying affected individuals of these services and coverage. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to the State under this Contract or otherwise available at law. The obligations set forth in this Section shall survive termination of this Contract.</p>	
<p>42. Will the State be amenable to amending Section A.22 of the <i>Pro Forma</i> Contract as follows?</p> <p>A.22. <u>Transition of Services Upon Termination.</u> Upon the natural expiration of this Contract or in the event of its termination for any reason, the Contractor shall transfer in accordance with the State's instructions, all data, records, information and other property of the State to whomever the State may designate in writing to the Contractor. The Contractor agrees to <u>reasonably</u> cooperate with the State, and any subsequent contractor selected by the State to perform the services hereunder, in the transition and conversion of such services. The Contractor shall remain liable to the State under this Contract for any acts or omissions occurring on or prior to the date on which all property of the State and all services hereunder have been successfully transferred or converted in accordance with this paragraph. To the extent possible, within the timeframe agreed upon by the Parties, after the contract termination date, the Contractor shall destroy all data feeds received, from whatever source, on behalf of the State as well as any comparisons or analysis of the data feeds.</p> <p><u>Notwithstanding the foregoing, Contractor may retain</u></p>	<p>See Item 5 below for an amendment to Section A.22 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).</p>

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<p><u>copies of Confidential Information for archival purposes related to memorializing the Services and complying with tis then-existing document retention and business continuity programs.</u></p> <p>Upon the termination or expiration of this Contract, the Contractor will take all reasonable steps necessary to effect an orderly transition of the relevant portions of its duties and responsibilities to the State or a successor provider(s), as designated by the State. During the transition, the Contractor shall not be required to perform any service not previously provided, except for conversion and transition services, and for a period not exceed twelve (12) consecutive months from the time of termination or expiration of this Contract, unless otherwise agreed to by the Parties. The Contractor shall use commercially reasonable efforts to ensure that during the transition, the Contractor and its agents do not impede or delay the orderly transfer of work.</p> <p>Each Party shall be responsible for its own expenses to facilitate the transition; provided that during the transition phase, the State shall continue to pay the Contractor the agreed upon fees for the services performed by the Contractor under this Contract.</p>	
<p>43. Will the State be amenable to amending Section D.7 of the <i>Pro Forma</i> Contract as follows?</p> <p>D.7. <u>Assignment and Subcontracting.</u> The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State, <u>except Contractor may assign its rights or delegate performance to one of its affiliates that is wholly owned by the same parent company and operating under the same trade name; provided that there is no change in primary personnel performing services or to the ownership structure of the parent company.</u> Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.</p>	<p>The State respectfully declines.</p>
<p>44. Will the State be amenable to amending Section D.18 of the <i>Pro Forma</i> Contract as follows?</p> <p>D.18. <u>Limitation of Contractor's Liability.</u> In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended,</p>	<p>The State respectfully declines. The proposed additional language is not pertinent to the topic covered by Section D.18.</p>

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<p>PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights <u>(except where such infringement is solely caused by the State's use, modification or combination of any services or deliverables in a manner not anticipated by this Contract)</u>; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death. For clarity, except as otherwise expressly set forth in this Section, Contractor's indemnification obligations and other remedies available under this Contract are subject to the limitations on liability set forth in this Section.</p>	
<p>45. Will the State be amenable to amending Section D.19 of the <i>Pro Forma</i> Contract as follows?</p> <p>D.19. <u>Hold Harmless</u>. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all third party claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of negligent or willful acts, or omissions<u>negligence, willful misconduct or fraud</u> on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys' fees, court costs, expert witness fees, and other litigation expenses for the State to enforce the terms of this Contract.</p> <p>In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.</p>	<p>The State respectfully declines.</p>
<p>46. Will the State be amenable to amending Section D.20 of the <i>Pro Forma</i> Contract as follows?</p> <p>D.20. <u>HIPAA Compliance</u>. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.</p> <p>a. Contractor warrants to the State that it is familiar with the requirements of the Privacy</p>	<p>The State respectfully declines.</p>

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<p>Rules, and will comply with all applicable requirements in the course of this Contract.</p> <p>b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.</p> <p>c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT “protected health information” as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.</p> <p>d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules <u>mitigate, to the maximum extent practicable, the known harmful effects of a use or disclosure of protected health information in violation of the Privacy Rules</u>. This includes the <u>reasonable and actual</u> costs of responding to a breach of protected health information, the <u>reasonable and actual</u> costs of responding to a government enforcement action related to the breach, and any fines or penalties <u>or damages paid by imposed upon</u> the State because of the violation.</p>	
<p>47. Will the State be amenable to amending Section D.32 of the <i>Pro Forma</i> Contract as follows?</p> <p>D.32. <u>Insurance</u>. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require <u>request</u> additional insurance coverage, coverage amounts, and endorsements required under this Contract <u>with advanced notice to Contractor. Contractor will take commercially reasonable efforts to accommodate such request</u>. Contractor’s failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance (“TDCI”); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with</p>	<p>The State respectfully declines. This is a standard Tennessee State contract provision, and we are not at liberty to revise it.</p>

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<p>any other insurance or self-insurance carried by the State. Contractor agrees to include the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement or policy wording for a waiver of subrogation in favor of the State. Any deductible or self insured retention ("SIR") over fifty thousand dollars (\$50,000) must be disclosed to the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.</p> <p>To achieve the required coverage amounts, a combination of an otherwise deficient specific policy and an umbrella policy with an aggregate meeting or exceeding the required coverage amounts is acceptable. For example: If the required policy limit under this Contract is for two million dollars (\$2,000,000) in coverage, acceptable coverage would include a specific policy covering one million dollars (\$1,000,000) combined with an umbrella policy for an additional one million dollars (\$1,000,000). If the deficient underlying policy is for a coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Contractor shall advise the State and allow the State to view a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area. In the event that an umbrella policy is being provided to achieve any required coverage amounts, the umbrella policy shall be accompanied by an endorsement at least as broad as the Insurance Services Office, Inc. (also known as "ISO") "Noncontributory—Other Insurance Condition" endorsement or shall be written on a policy form that addresses both the primary and noncontributory basis of the umbrella policy if the State is otherwise named as an additional insured.</p> <p>Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder.</p>	

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<p>Contractor shall provide the COI ten (10) business days prior to the Effective Date and shall endeavor to provide it again on the date of renewal or replacement of coverage, but no later than seven (7) business days after the renewal or replacement of coverage.</p> <p>Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead, Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. The Contractor shall permit the State to review complete copies of all required insurance policies, including endorsements required by these specifications, at any time.</p> <p>The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State <u>for which coverage under this Section may apply</u>, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.</p> <p>The insurance obligations under this Contract shall be: (1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.</p> <p>a. Commercial General Liability ("CGL") Insurance</p> <p>1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing</p>	

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<p>equivalent coverage) and shall cover liability arising from property damage, premises and operations products and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).</p> <p>The Contractor shall maintain single limits not less than one million dollars (\$1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this policy or location of occurrence or the general aggregate limit shall be twice the required occurrence limit.</p> <p>b. Workers' Compensation and Employer Liability Insurance</p> <p>1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain: Workers' compensation and employer liability insurance in the amounts required by appropriate state statutes.</p> <p>2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:</p> <ul style="list-style-type: none"> i. The Contractor employs fewer than five (5) employees; ii. The Contractor is a sole proprietor; iii. The Contractor is in the construction business or trades with no employees; iv. The Contractor is in the coal mining industry with no employees; v. The Contractor is a state or local government; or vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405. <p>c. Automobile Liability Insurance</p> <p>1) The Contractor shall maintain automobile liability insurance which shall cover liability arising out of any automobile (including owned, leased, hired, and non-owned automobiles).</p> <p>2) The Contractor shall maintain bodily injury/property damage with a limit not less than one million dollars (\$1,000,000) per occurrence or combined single limit.</p> <p>d. Professional Liability Insurance</p> <p>1) Professional liability insurance shall be written on an occurrence basis or on a</p>	

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<p>claims- made basis. If this coverage is written on a claims-made basis, then:</p> <ol style="list-style-type: none"> I. The retroactive date must be shown, and must be on or before the earlier of the Effective Date of the Contract or the beginning of Contract work or provision of goods and services; II. Insurance must be maintained and evidence of insurance must be provided for at least five (5)<u>three (3)</u> full years from the date of the final Contract payment; and III. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date on or prior to the Contract Effective Date, the Contractor must purchase “extended reporting” or “tail coverage” for a minimum of five (5)<u>three (3)</u> full years from the date of the final Contract payment. <p>2) Any professional liability insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate; and</p> <p>3) If the Contract involves the provision of services by medical professionals, a policy limit not less than three million (\$3,000,000) per claim and three million dollars (\$3,000,000) in the aggregate for medical malpractice insurance.</p> <p>e. Technology Professional Liability (Errors & Omissions)Cyber Liability Insurance</p> <ol style="list-style-type: none"> 1) The Contractor shall maintain technology professional liability (errors & omissions)cyber insurance appropriate to the Contractor’s profession in an amount not less than ten million dollars (\$10,000,000) per occurrence or claim and ten million dollars (\$10,000,000) annual aggregate, covering all acts, claims, errors, omissions, negligence, infringement of intellectual property (including copyright, patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of confidential information, and including coverage for related regulatory fines, defenses, and penalties. 	

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<p>2) Such coverage shall include data breach response expenses, in an amount not less than ten million dollars (\$10,000,000) and payable whether incurred by the State or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State hereunder.</p> <p>f. Crime Insurance</p> <p>1) The Contractor shall maintain crime insurance, which shall be written on a “loss sustained form” or “loss discovered form” providing coverage for third party fidelity, including cyber theft and extortion. The policy must allow for reporting of circumstances or incidents that may give rise to future claims, include an extended reporting period of no less than two (2) years with respect to events which occurred but were not reported during the term of the policy, and not contain a condition requiring an arrest or conviction.</p> <p>Any crime insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and one million dollars (\$1,000,000) in the aggregate. Any crime insurance policy shall contain a Social Engineering Fraud Endorsement with a limit of not less than two hundred and fifty thousand dollars (\$250,000). This insurance may be written on a claims-made basis, but in the event that coverage is cancelled or non-renewed, the Contractor shall purchase an extended reporting or “tail coverage” of at least two (2) years after the Term.</p>	
<p>48. Will the State be amenable to amending Section D.34 of the <i>Pro Forma</i> Contract as follows?</p> <p>D.34. <u>Confidentiality of Records</u>. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as “Confidential Information.” <u>All material and information, regardless of form, medium or method of communication, provided to the State that is specifically identified as being confidential</u></p>	<p>The State respectfully declines.</p>

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<p>shall be regarded as “Confidential Information.” Nothing in this Section shall permit Contractor the recipient of Confidential Information to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor-recipient due to intentional or negligent actions or inactions of agents of the State-owner of the Confidential Information or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor-Recipient shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.</p> <p>The obligations set forth in this Section shall survive the termination of this Contract.</p>	
<p>49. Will the State be amenable to amending Section E.2 of the <i>Pro Forma</i> Contract as follows?</p> <p><u>E.2. Contractor Hosted Services Confidential Data, Audit, and Other Requirements.</u></p> <p>a. “Confidential State Data” is defined as data deemed confidential by State or Federal statute or regulation. The Contractor shall protect Confidential State Data as follows:</p> <ol style="list-style-type: none"> 1) The Contractor shall ensure that all Confidential State Data is housed in the continental United States, inclusive of backup data. 2) The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard (“FIPS”) 140-2 or 140-3 (current applicable version) validated encryption technologies. The State shall control all access to encryption keys. The Contractor shall provide installation and maintenance support at no cost to the State. 3) The Contractor and the Contractor’s processing environment containing Confidential State Data shall either (1) be in accordance with at least one of the following security standards: (i) International Standards Organization (“ISO”) 27001; (ii) Federal Risk and Authorization Management Program (“FedRAMP”); or (2) be subject to an independent third party audit annual engagement by a CPA firm in accordance with the standards of the American Institute of Certified Public Accountants (“AICPA”) for a System and Organization Controls for service 	<p>The State respectfully declines. This is a standard Tennessee State contract provision, and we are not at liberty to revise it.</p>

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<p>organizations (“SOC”) Type II audit. The State shall approve the SOC audit control objectives. The Contractor shall provide proof of current ISO certification or FedRAMP authorization for the Contractor and Subcontractor(s), or provide the State with the Contractor’s and Subcontractor’s annual SOC Type II independent third party audit report within 30 days from when the CPA firm provides the audit report to the Contractor or Subcontractor upon request. The Contractor shall submit corrective action plans to the State for any issues included in the audit report within 30 days after the CPA firm provides the audit report to the Contractor or Subcontractor.</p> <p>If the scope of the most recent SOC audit report does not include all of the current State fiscal year, upon request from the State, the Contractor must provide to the State a letter from the Contractor or Subcontractor stating whether the Contractor or Subcontractor made any material changes to their control environment since the prior audit and, if so, whether the changes, in the opinion of the Contractor or Subcontractor, would negatively affect the auditor’s opinion in the most recent audit report.</p> <p>No additional funding shall be allocated for these certifications, authorizations, or audits as these are included in the Maximum Liability of this Contract.</p> <p>4) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. “Processing Environment” shall mean the combination of software and hardware on which the Application runs. “Application” shall mean the computer code that supports and accomplishes the State’s requirements as set forth in this Contract. “Penetration Tests” shall be in the form of attacks on the Contractor’s computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment’s features and data. The “Vulnerability Assessment” shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment.</p> <p>5) Upon State request, the Contractor shall provide a copy of all Confidential State Data</p>	

QUESTION / COMMENT	STATE RESPONSE
<p>it holds. The Contractor shall provide such data on media and in a format <u>reasonably determined-requested</u> by the State.</p> <p>(6) Upon termination of this Contract and in consultation with the State, the Contractor shall destroy all Confidential State Data it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology (“NIST”) Special Publication 800-88. The Contractor shall provide a written confirmation of destruction to the State within ten (10) business days after destruction. <u>Notwithstanding the foregoing, the Contractor may retain copies of Confidential State Information for archival purposes related to memorializing the Services and complying with its then-existing document retention and business continuity program. The Contractor will maintain such Confidential State Information in accordance with its obligations under this Agreement until all copies are destroyed in accordance with its established document retention policy.</u></p> <p>b. Minimum Requirements</p> <p>1) The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State’s Enterprise Information Security Policies as <u>amended periodically provided to the Contractor</u>. The State’s Enterprise Information Security Policies document is found at the following URL: https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html.</p> <p>(2) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. “Operating System” shall mean the software that supports a computer’s basic functions, such as scheduling tasks, executing applications, and controlling peripherals.</p> <p>(3) If the Application requires middleware or database software, Contractor shall maintain middleware and database</p>	

QUESTION / COMMENT	STATE RESPONSE
<p style="text-align: center;">software versions that are at all times fully compatible with current versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.</p> <p>c. Comptroller Audit Requirements</p> <p>Upon reasonable notice and at any reasonable time, the Contractor and Subcontractor(s) agree to allow the State, the Comptroller of the Treasury, or their duly appointed representatives to perform information technology control audits of the Contractor and all Subcontractors used by the Contractor, <u>subject to mutual agreement on scope and confidentiality</u>. Contractor will maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in connection with this Contract. Contractor will provide to the State, the Comptroller of the Treasury, or their duly appointed representatives access to Contractor and Subcontractor(s) personnel for the purpose of performing the information technology control audit.</p> <p>The information technology control audit may include a review of general controls and application controls. General controls are the policies and procedures that apply to all or a large segment of the Contractor's or Subcontractor's information systems and applications and include controls over security management, access controls, configuration management, segregation of duties, and contingency planning. Application controls are directly related to the application and help ensure that transactions are complete, accurate, valid, confidential, and available. The audit shall include the Contractor's and Subcontractor's compliance with the State's Enterprise Information Security Policies and all applicable requirements, laws, regulations or policies.</p> <p>The audit may include interviews with technical and management personnel, physical inspection of controls, and review of paper or electronic documentation. For any audit issues identified, the Contractor and Subcontractor(s) shall provide a corrective action plan to the State within 30 days from the Contractor or Subcontractor receiving the audit report. Each party shall bear its own expenses incurred while</p>	

QUESTION / COMMENT	STATE RESPONSE
<p>conducting the information technology controls audit.</p> <p>d. Business Continuity Requirements. The Contractor shall maintain set(s) of documents, instructions, and procedures which enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance in its key operations (“Business Continuity Requirements”). Business Continuity Requirements shall include:</p> <p>1) “Disaster Recovery Capabilities” refer to the actions the Contractor takes to meet the Recovery Point and Recovery Time Objectives defined below. Disaster Recovery Capabilities shall meet the following objectives:</p> <p>i. Recovery Point Objective (“RPO”). The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident: one to four hours</p> <p>ii. Recovery Time Objective (“RTO”). The RTO is defined as the targeted duration of time and a service level within which a business process must be restored after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity: four to twenty-four hours</p> <p>(2) The Contractor and the Subcontractor(s) shall perform at least one Disaster Recovery Test every three hundred sixty-five (365) days. A “Disaster Recovery Test” shall mean the process of verifying the success of the restoration procedures that are executed after a critical IT failure or disruption occurs. The Disaster Recovery Test shall use actual State Data Sets that mirror production data, and success shall be defined as the Contractor verifying that the Contractor can meet the State’s RPO and RTO requirements. A “Data Set” is defined as a collection of related sets of information that is composed of separate elements but can be manipulated as a unit by a computer. The Contractor shall provide written confirmation to the State after each Disaster Recovery Test that its Disaster</p>	

QUESTION / COMMENT	STATE RESPONSE
<p>Recovery Capabilities meet the RPO and RTO requirements.</p>	
<p>50. Will the State be amenable to amending Section E.4 of the <i>Pro Forma</i> Contract as follows?</p> <p>E.4. <u>Personally Identifiable Information</u>. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State (“PII”). For the purposes of this Contract, “PII” includes “Nonpublic Personal Information” as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time (“GLBA”) and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information <u>to the extent applicable to the Services</u> (“Privacy Laws”). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State:</p> <p>(1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify or ensure that Contractor is in full compliance with its obligations under this</p>	<p>The State respectfully declines. This is a standard Tennessee State contract provision, and we are not at liberty to revise it.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII, except that the Contractor may retain an <u>electronic copycopies</u> in accordance with its records retention policy.</p> <p>The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours <u>five (5) business days</u> after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State <u>if mutually agreed to by the parties or required by law</u>, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of <u>any legally-required</u> notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law. The obligations set forth in this Section shall survive the termination of this Contract.</p>	

3. Delete Section A.16 of the *Pro Forma Contract (RFP Attachment 6.5)* in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

A.16. Assignment of Key Personnel. The Contractor agrees to assign the individuals named on pages [PAGE NUMBERS FROM SUCCESSFUL PROPOSAL WHICH RESPOND TO SECTION B.13 of RFP ATTACHMENT 6.2] of the Contractor's Proposal as the key staff members to perform the services under this Contract. Except upon the State's prior written consent, which consent shall not be unreasonably withheld ~~may be withheld in the State's sole discretion~~, the Contractor shall not remove or temporarily reassign any of the named individuals until such time as the Contractor has completed the services under this Contract. Should the State consent to such removal or reassignment, the State reserves the right to approve the candidates proposed by the Contractor as a replacement.

Notwithstanding the foregoing, the Contractor shall have the right to remove or reassign such personnel upon notice to the State if such removal or reassignment is required due to voluntary or involuntary termination of employment, leave, extended illness, promotion or death. In such event, the State reserves the right to approve the candidates.

4. Delete Section A.18 of the *Pro Forma Contract (RFP Attachment 6.5)* in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

A.18. Data Ownership; State Data; and Storage. The State agrees to supply to the Contractor (either directly or through State's agents and representatives) all of the State Data reasonably needed and requested by Contractor to perform the Services, in a usable format. The Contractor will have the right to reasonably rely on the accuracy and completeness of State Data and will have no responsibility for independently verifying or checking State Data for accuracy or completeness, except as otherwise provided in this Contract. The State will notify the Contractor as reasonably as practicable upon gaining knowledge of any material change to State Data. The State acknowledges and agrees that the Contractor shall have no liability for errors resulting from latent defects in State Data or State's failure to notify the Contractor of changes to State Data. The State is the exclusive owner of all of the State Data, information, documents or records transmitted to the Contractor pursuant to the terms of this Contract. The Contractor shall not change, alter, delete, manipulate or destroy the State Data, information, documents or records without the express written consent of the State except as necessary to provide the Services under this Contract ~~or as otherwise provided in this Contract.~~ Additionally, the Contractor shall not transmit, transfer, send, submit, sell, disclose, assign or lease the State Data, information, documents or records to any other individual or entity without the express written consent of the State. In addition to the Services, the Contractor is authorized to use State Data (other than Confidential Information as defined in Section D.34 below, PII as defined in Section E.4 below, and Confidential State Data as defined in Section E.2. below) for internal purposes and may aggregate State Data (except for Confidential Information as defined in Section D.34 below, PII as defined in Section E.4 below, and Confidential State Data as defined in Section E.2. below) with other data collected by Contractor and distribute such data, or analysis of such data, to third parties, provided such distributed data does not identify the State or any State employees or participants or beneficiaries under an employee benefit plan sponsored by the State. For the avoidance of doubt, the Contractor shall not sell or otherwise receive remuneration for State Data or materials derived from State Data. At any time during the Contract Term or upon the expiration or termination of this Contract, the State may request that the Contractor send the State Data, information, documents, and records back to the State in the same form or format in which it was transmitted to the Contractor. Notwithstanding the foregoing, the Contractor may retain copies of State Data for archival purposes related to memorializing the Services and complying with its then-existing document retention and business continuity programs. The Contractor shall maintain such State Data in accordance with its obligations under this Contract, and not further use or disclose State Data for any purpose, until all copies are destroyed in accordance with the Contractor's document retention policy. ~~The Contractor shall not retain a copy of the State Data, information, documents, and records once they are transmitted by the Contractor to the State.~~ For purposes of this Contract, "State Data" means all data or information pertaining to the State, its business, and individual TCRS members and their respective beneficiaries that is acquired or created by the Contractor or acquired or created by a subcontractor of the Contractor in the furtherance of this Contract, including, but not limited to, Confidential Information (as defined in Section D.34 below), PII (as defined in Section E.4 below), and Confidential State Data (as defined in Section E.2. below). The Contractor and the State will agree on the secure method of transmission and maintenance of State Data which will be encrypted at the file level while in flight from the State to the Contractor, in flight from the Contractor back to the State, and at rest while being maintained by the Contractor. If the State Data is retained on a file transfer platform, the Contractor shall ensure that State Data shall not be retained on such system for any longer than is needed, and in any case, for no more than twenty-four (24) hours after transmission to the Contractor or to a subcontractor of the Contractor. The State acknowledges that, in providing the Services, the Contractor will distribute or make available certain proprietary materials ("Contractor's Proprietary Information"), including, but not limited to, publications, software, know-how, techniques, methodologies and report formats. Except to the extent that they are or incorporate Contractor's Proprietary Information, all documents, data, and other tangible materials authored or prepared and delivered by the Contractor to the State under the terms of this Contract (collectively, the "Deliverables"), are the sole and exclusive property of the State, once paid for by the State. To the extent that Contractor's Proprietary Information is incorporated into such Deliverables, the State will have a perpetual, fully paid, non-exclusive, non-transferable and non-sublicensable right to use, copy,

and modify Contractor's Proprietary Information as part of the Deliverables. The Contractor will not have any responsibility or liability for use of any Deliverable in any manner other than for the intended purpose.

5. Delete Section A.22 of the *Pro Forma Contract (RFP Attachment 6.5)* in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

- A.22. Transition of Services Upon Termination. Upon the natural expiration of this Contract or in the event of its termination for any reason, the Contractor shall transfer in accordance with the State's instructions, all data, records, information and other property of the State to whomever the State may designate in writing to the Contractor. The Contractor agrees to reasonably cooperate with the State, and any subsequent contractor selected by the State to perform the services hereunder, in the transition and conversion of such services. The Contractor shall remain liable to the State under this Contract for any acts or omissions occurring on or prior to the date on which all property of the State and all services hereunder have been successfully transferred or converted in accordance with this paragraph. To the extent possible, within the timeframe agreed upon by the Parties, after the contract termination date, the Contractor shall destroy all data feeds received, from whatever source, on behalf of the State as well as any comparisons or analysis of the data feeds. Notwithstanding the foregoing, the Contractor may retain copies of Confidential Information for archival purposes related to memorializing the Services and complying with its then-existing document retention and business continuity programs.

Upon the termination or expiration of this Contract, the Contractor will take all reasonable steps necessary to effect an orderly transition of the relevant portions of its duties and responsibilities to the State or a successor provider(s), as designated by the State. During the transition, the Contractor shall not be required to perform any service not previously provided, except for conversion and transition services, and for a period not exceed twelve (12) consecutive months from the time of termination or expiration of this Contract, unless otherwise agreed to by the Parties. The Contractor shall use commercially reasonable efforts to ensure that during the transition, the Contractor and its agents do not impede or delay the orderly transfer of work.

Each Party shall be responsible for its own expenses to facilitate the transition; provided that during the transition phase, the State shall continue to pay the Contractor the agreed upon fees for the services performed by the Contractor under this Contract.

- 6. Delete RFP Attachment 6.3 (Cost Proposal & Scoring Guide) in its entirety and replace it with the RFP Attachment 6.3 (Cost Proposal & Scoring Guide) that is attached to this amendment. Any sentence or paragraph containing revised or new text is highlighted)**
- 7. RFP Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFP not expressly amended herein shall remain in full force and effect.

RFP Amendment 1

SERVICE DESCRIPTION	Amount (per compensable increment)				
	July 1, 2019 – June 30, 2020	July 1, 2020 – June 30, 2021	July 1, 2021 – June 30, 2022	July 1, 2022 – June 30, 2023	July 1, 2023 – June 30, 2024
TCRS Annual Actuarial Valuations as described in Section A.2	\$345,000	\$355,000	\$365,000	\$375,000	\$385,000

(Continues on Next Two Pages)

Annual Cost Summary of Common Benefit Improvements as described in Section A.3	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800
TCRS Actuarial Experience Study as described in Sections A.5.a. and A.5.c.	N/A	\$190,000	N/A	N/A	N/A
Calculation of Initial TCRS Employer Contribution Rate as described in Section A.6 for up to 100 employees included in the study and for two prior service options	\$1,180 (per calculation)	\$1,210 (per calculation)	\$1,240 (per calculation)	\$1,270 (per calculation)	\$1,300 (per calculation)
Calculation of Initial TCRS Employer Contribution Rate as described in Section A.6 for each additional employee included in the study that exceeds 100 employees	\$0 (per additional employee)	\$0 (per additional employee)	\$0 (per additional employee)	\$0 (per additional employee)	\$0 (per additional employee)
Calculation of Initial TCRS Employer Contribution Rate as described in Section A.6 for each additional prior service option included in the study that exceeds two prior service options	\$250 (per additional option)	\$250 (per additional option)	\$250 (per additional option)	\$250 (per additional option)	\$250 (per additional option)
Calculation of Subsequent TCRS Prior Service Options as described in Section A.7 for up to 100 employees included in the study	\$550 (per option calculation)	\$560 (per option calculation)	\$570 (per option calculation)	\$580 (per option calculation)	\$590 (per option calculation)
Calculation of Subsequent TCRS Prior Service Options as described in Section A.7 for each additional	\$0 (per additional employee)	\$0 (per additional employee)	\$0 (per additional employee)	\$0 (per additional employee)	\$0 (per additional employee)

employee included in the study that exceeds 100					
QEBA	\$515 (per employee)	\$530 (per employee)	\$545 (per employee)	\$560 (per employee)	\$575 (per additional employee)
Other TCRS Actuarial Services as described in Sections A.5.b and A.11	\$345 (per hour)	\$355 (per hour)	\$365 (per hour)	\$375 (per hour)	\$385 (per hour)
Annual BEST Actuarial Valuation as described in Section A.12	\$15,000	\$15,500	\$16,000	\$16,500	\$17,000
Other BEST Actuarial Services as described in Section A.13 and A.14	\$290 (per hour)	\$300 (per hour)	\$310 (per hour)	\$320 (per hour)	\$330 (per hour)

COST PROPOSAL & SCORING GUIDE

NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED

COST PROPOSAL SCHEDULE— The Cost Proposal, detailed below, shall indicate the proposed price for providing goods or services as defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma* Contract, for the entire contract period. The Cost Proposal shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFP. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point.

NOTICE: The Evaluation Factor associated with each compensable unit is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Respondent.

Notwithstanding the cost items herein, pursuant to the second paragraph of the *Pro Forma* Contract, Section C.1. (refer to RFP Attachment 6.6.), “The State is under no obligation to request any goods or services from the Contractor in any specific dollar amounts or to request any goods or services at all from the Contractor during any period of this Contract.”

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the Respondent to the provisions of this RFP and any contract awarded pursuant to this RFP. If the individual signing this Cost Proposal is not the *President* or *Chief Executive Officer*, the Respondent must attach evidence to the Cost Proposal showing the individual’s authority to legally bind the Respondent. An electronic or facsimile signature, as applicable, is acceptable.

RESPONDENT SIGNATURE:	
PRINTED NAME & TITLE:	
DATE:	

RESPONDENT LEGAL ENTITY NAME:													
Cost Item Description	Proposed Cost										State Use ONLY		
	July 1, 2024 — June 30, 2025	July 1, 2025 — June 30, 2026	July 1, 2026 — June 30, 2027	July 1, 2027 — June 30, 2028	July 1, 2028 — June 30, 2029	July 1, 2029 — June 30, 2030 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2030 — June 30, 2031 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2031 — June 30, 2032 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2032 — June 30, 2033 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2033 — June 30, 2034 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	Sum	Evaluation Factor	Evaluation Cost <small>(sum x factor)</small>
TCRS Annual Actuarial Valuations as described in Section A.2 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6), and the GASB-related services described in Section A.3. of the <i>Pro Forma</i> Contract (RFP Attachment 6.6)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)		1	
Calculation of Excess Benefits described in Section A.8. of the <i>Pro Forma</i> Contract (RFP Attachment 6.6)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)	\$ (flat fee)		1	

RESPONDENT LEGAL ENTITY NAME:	Proposed Cost											State Use ONLY		
	July 1, 2024 — June 30, 2025	July 1, 2025 — June 30, 2026	July 1, 2026 — June 30, 2027	July 1, 2027 — June 30, 2028	July 1, 2028 — June 30, 2029	July 1, 2029 — June 30, 2030 (If Term extended pursuant to Section B.2 of the Pro Forma Contract)	July 1, 2030 — June 30, 2031 (If Term extended pursuant to Section B.2 of the Pro Forma Contract)	July 1, 2031 — June 30, 2032 (If Term extended pursuant to Section B.2 of the Pro Forma Contract)	July 1, 2032 — June 30, 2033 (If Term extended pursuant to Section B.2 of the Pro Forma Contract)	July 1, 2033 — June 30, 2034 (If Term extended pursuant to Section B.2 of the Pro Forma Contract)	Sum	Evaluation Factor	Evaluation Cost (sum x factor)	
TCRS Actuarial Experience Study as described in Sections A.4.a. and A.4.c. of the Pro Forma Contract (RFP Attachment 6.6)	\$ _____ (flat fee)	N/A	N/A	N/A	\$ _____ (flat fee)	N/A	N/A	N/A	\$ _____ (flat fee)	N/A		1		
Calculation of Initial TCRS Employer Contribution Rate as described in Section A.5 of the Pro Forma Contract (RFP Attachment 6.6) for up to 100 employees included in the study and for two prior service options	\$ _____ per calculation	\$ _____ per calculation	\$ _____ per calculation	\$ _____ per calculation	\$ _____ per calculation	\$ _____ per calculation	\$ _____ per calculation	\$ _____ per calculation	\$ _____ per calculation	\$ _____ per calculation		10 (Assumes 10 studies per year)		

RESPONDENT LEGAL ENTITY NAME:													
Cost Item Description	Proposed Cost										State Use ONLY		
	July 1, 2024 — June 30, 2025	July 1, 2025 — June 30, 2026	July 1, 2026 — June 30, 2027	July 1, 2027 — June 30, 2028	July 1, 2028 — June 30, 2029	July 1, 2029 — June 30, 2030 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2030 — June 30, 2031 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2031 — June 30, 2032 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2032 — June 30, 2033 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2033 — June 30, 2034 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	Sum	Evaluation Factor	Evaluation Cost <small>(sum x factor)</small>
Calculation of Initial TCRS Employer Contribution Rate as described in Section A.5 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6) for each additional employee included in the study that exceeds 100 employees	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee		200 <small>(Assumes 200 additional employees per year)</small>	

RESPONDENT LEGAL ENTITY NAME:													
Cost Item Description	Proposed Cost										State Use ONLY		
	July 1, 2024 — June 30, 2025	July 1, 2025 — June 30, 2026	July 1, 2026 — June 30, 2027	July 1, 2027 — June 30, 2028	July 1, 2028 — June 30, 2029	July 1, 2029 — June 30, 2030 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2030 — June 30, 2031 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2031 — June 30, 2032 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2032 — June 30, 2033 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2033 — June 30, 2034 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	Sum	Evaluation Factor	Evaluation Cost <small>(sum x factor)</small>
Calculation of Initial TCRS Employer Contribution Rate as described in Section A.5 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6) for each additional prior service option included in the study that exceeds two prior service options	\$ per additional option	\$ per additional option	\$ per additional option	\$ per additional option	\$ per additional option	\$ per additional option	\$ per additional option	\$ per additional option	\$ per additional option	\$ per additional option		2 (Assumes 2 additional prior service options per year)	

RESPONDENT LEGAL ENTITY NAME:	Proposed Cost										State Use ONLY		
	July 1, 2024 — June 30, 2025	July 1, 2025 — June 30, 2026	July 1, 2026 — June 30, 2027	July 1, 2027 — June 30, 2028	July 1, 2028 — June 30, 2029	July 1, 2029 — June 30, 2030 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2030 — June 30, 2031 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2031 — June 30, 2032 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2032 — June 30, 2033 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2033 — June 30, 2034 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	Sum	Evaluation Factor	Evaluation Cost <small>(sum x factor)</small>
Calculation of Subsequent TCRS Prior Service Options as described in Section A.6 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6) for up to 100 employees included in the study	\$ _____ per option calculation	\$ _____ per option calculation	\$ _____ per option calculation	\$ _____ per option calculation	\$ _____ per option calculation	\$ _____ per option calculation	\$ _____ per option calculation	\$ _____ per option calculation	\$ _____ per option calculation	\$ _____ per option calculation		4 <small>(Assumes 4 studies per year)</small>	
Calculation of Subsequent TCRS Prior Service Options as described in Section A.6 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6) for each additional employee included in the study that exceeds 100	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee	\$ _____ per additional employee		100 <small>(Assumes 100 additional employees per year)</small>	

RESPONDENT LEGAL ENTITY NAME:													
Cost Item Description	Proposed Cost										State Use ONLY		
	July 1, 2024 — June 30, 2025	July 1, 2025 — June 30, 2026	July 1, 2026 — June 30, 2027	July 1, 2027 — June 30, 2028	July 1, 2028 — June 30, 2029	July 1, 2029 — June 30, 2030 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2030 — June 30, 2031 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2031 — June 30, 2032 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2032 — June 30, 2033 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	July 1, 2033 — June 30, 2034 <small>(If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)</small>	Sum	Evaluation Factor	Evaluation Cost <small>(sum x factor)</small>
Calculation of Cost to Adopt TCRS Benefit Improvements as described in Section A.7 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6)	\$ _____ per benefit improvement calculation	\$ _____ per benefit improvement calculation	\$ _____ per benefit improvement calculation	\$ _____ per benefit improvement calculation	\$ _____ per benefit improvement calculation	\$ _____ per benefit improvement calculation	\$ _____ per benefit improvement calculation	\$ _____ per benefit improvement calculation	\$ _____ per benefit improvement calculation	\$ _____ per benefit improvement calculation		20 <small>(Assumes 20 benefit improvement calculations per year)</small>	
Sensitivity and Stress Test Analyses as described in Section A.11 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6)	\$ _____ <small>(flat fee)</small>	\$ _____ <small>(flat fee)</small>	\$ _____ <small>(flat fee)</small>	\$ _____ <small>(flat fee)</small>	\$ _____ <small>(flat fee)</small>	\$ _____ <small>(flat fee)</small>	\$ _____ <small>(flat fee)</small>	\$ _____ <small>(flat fee)</small>	\$ _____ <small>(flat fee)</small>	\$ _____ <small>(flat fee)</small>		1	
Other TCRS Actuarial Services as described in Sections A.4.b. and A.12 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6)	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour		300 <small>(Assumes 300 hours per year)</small>	

RESPONDENT LEGAL ENTITY NAME:												
Cost Item Description	Proposed Cost										State Use ONLY	
	July 1, 2024 — June 30, 2025	July 1, 2025 — June 30, 2026	July 1, 2026 — June 30, 2027	July 1, 2027 — June 30, 2028	July 1, 2028 — June 30, 2029	July 1, 2029 — June 30, 2030 (If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)	July 1, 2030 — June 30, 2031 (If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)	July 1, 2031 — June 30, 2032 (If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)	July 1, 2032 — June 30, 2033 (If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)	July 1, 2033 — June 30, 2034 (If Term extended pursuant to Section B.2 of the <i>Pro Forma</i> Contract)	Sum	Evaluation Factor
Evaluation Cost Amount (sum of evaluation costs above) :												
The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.												
$\frac{\text{lowest evaluation cost amount from all proposals}}{\text{evaluation cost amount being evaluated}} \times 20$											(maximum possible score) = SCORE:	
State Use – Solicitation Coordinator Signature, Printed Name & Date:												