



STATE OF TENNESSEE
TREASURY DEPARTMENT

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

RFP CONTENTS

SECTIONS:

1. INTRODUCTION
2. RFP SCHEDULE OF EVENTS
3. RESPONSE REQUIREMENTS
4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS
5. EVALUATION & CONTRACT AWARD

ATTACHMENTS:

- 6.1. Response Statement of Certifications & Assurances
- 6.2. Technical Response & Evaluation Guide
- 6.3. Cost Proposal & Scoring Guide
- 6.4. Reference Questionnaire
- 6.5. Score Summary Matrix
- 6.6. *Pro Forma* Contract
- 6.7. Tennessee Consolidated Retirement System Program Description
 - Appendix 1 to RFP Attachment 6.7
 - Appendix 2 to RFP Attachment 6.7
 - Appendix 3 to RFP Attachment 6.7
- 6.8. Employer Assets and Provisions Layout
- 6.9. Active Lives Layout with Logic
- 6.10. Retired Lives Layout with Logic
- 6.11. Sample Calculation of Initial TCRS Employer Contribution Rate
- 6.12. Sample Calculation of Cost to Adopt A TCRS Benefit Improvement

1. INTRODUCTION

The State of Tennessee, Treasury Department, hereinafter referred to as “the State,” issues this Request for Proposals (RFP) to define minimum contract requirements; solicit responses; detail response requirements; and outline the State’s process for evaluating responses and selecting a contractor to provide the needed goods or services.

Through this RFP, the State seeks to procure necessary goods or services at the most favorable, competitive prices and to give ALL qualified respondents, including those that are owned by minorities, women, service-disabled veterans, persons with disabilities and small business enterprises, an opportunity to do business with the state as contractors, subcontractors or suppliers.

1.1. Statement of Procurement Purpose

Background and Overview

The Tennessee Consolidated Retirement System (TCRS) is a public employee retirement system comprised of defined benefit pension plans covering four large groups of public employees; namely, K-12 public school teachers, higher education employees, state employees, and local government (also called political subdivision) employees. Each local government (such as a city, county, utility district, and the like) voluntarily decides whether to be a participating employer in TCRS and thereby cover its local government employees in TCRS. There are three defined benefit pension plans within TCRS as described as follows:

- (1) The Public Employee Retirement Plan, which is an agent, multiple employer defined benefit pension plan for state government employees and for political subdivisions;
- (2) The Teacher Legacy Pension Plan, which is a cost-sharing, multiple- employer defined benefit plan for teachers of local education agencies (LEAs) that is closed to new membership effective June 30, 2014; and
- (3) The Teacher Retirement Plan, which is a cost-sharing, multiple-employer defined benefit plan for teachers of LEAs hired after June 30, 2014.

The following are each a separate coverage group in TCRS for actuarial purposes:

- (1) State and Higher Education employees hired prior to July 1, 2014;
- (2) State and Higher Education employees hired after June 30, 2014;
- (3) K-12 public school teachers hired before July 1, 2014;
- (4) K-12 public schools teachers hired after June 30, 2014;
- (5) State judges and other officials hired before July 1, 2014;
- (6) State judges and other officials hired after June 30, 2014;
- (7) State public safety officers bridge benefit, which is described in Item C.18 of RFP Attachment 6.2 – Section C below; and
- (8) **At June 30, 2023, there were over 603 separate political subdivisions actively participating in TCRS. Each political subdivision is valued separately, and, therefore, will have a separate valuation. Each political subdivision may elect to participate in one of the following plans within TCRS and may under the terms of the respective plan, change from such plan to one of the following plans on a prospective basis:**

- (i) TCRS Legacy Plan as defined and established in Tennessee Code Annotated, Title 8, Chapters 34 – 37;
- (ii) Local Government Alternate Defined Benefit Plan as defined and established in Tennessee Code Annotated, Section 8-35-255;
- (iii) Local Government Hybrid Plan as defined and established in Tennessee Code Annotated, Section 8-35-256; and
- (iv) Hybrid Retirement Plan for State Employees and Teachers as defined and established in Tennessee Code Annotated, Title 8, Chapter 36, Part 9.

Services requested in this RFP

The State intends to secure a contract for:

- a. Annual actuarial valuations, which shall be based on (1) the assets and liabilities for each coverage group as defined under “Background and Overview” above, (2) the demographic data provided by TCRS, (3) the actuarial assumptions and tables adopted by TCRS, and (4) such other data and/or information necessary to perform the respective actuarial valuation in accordance with the then current standards of the Governmental Accounting Standards Board, hereinafter referred to as “GASB”, and the laws and regulations governing TCRS.
- b. GASB and Financial Reporting Information for Participating Employers in TCRS and for the TCRS Pension Plans.
- c. TCRS actuarial experience studies, which shall involve an actuarial investigation into the tables and assumptions (demographic and economic) used in the operation of TCRS.
- d. Calculation of initial TCRS employer contribution rate for political subdivisions considering participation in TCRS. A separate calculation shall be performed for each such political subdivision based on all the following plans: (1) TCRS Legacy Plan, (2) Local Government Alternate Defined Benefit Plan, (3) Local Government Hybrid Plan, and (4) the Hybrid Retirement Plan for State Employees and Teachers, which shall include for such Plan the cost controls and unfunded liability controls described in Tennessee Code Annotated, Section 8-36-922. A sample of such a calculation is included herein as RFP Attachment 6.11.
- e. Calculation of subsequent TCRS prior service options desired by political subdivisions participating in TCRS.
- f. Calculation of TCRS plan provisions (benefit improvements) desired by political subdivisions participating in TCRS, e.g., cost of living adjustments, expanded armed conflict military service, etc. A sample of such a calculation is included herein as RFP Attachment 6.12.
- g. Identification of TCRS members whose retirement allowance is more than Internal Revenue Code (“IRS”) limits. TCRS has established a Qualified Excess Benefit Arrangement (“QEBA”) plan in accordance with federal law (26 U.S.C. §415(m)) and corresponding state law (Tennessee Code Annotated, Section 8-36-213).
- h. Perform sensitivity and stress test analyses annually. The analysis and reporting includes projections of benefit levels, pension costs, liabilities, and debt reduction under various economic and investment scenarios. The sensitivity and stress test analyses will include changes in inflation rate, discount rate, investment rate of return, contribution rates, increase longevity, and additional periodic funding.
- i. Other actuarial services to include changes in benefit or funding provisions of the plan, reviews of proposed legislation that impacts TCRS, reviews of the various administrative factors used by TCRS and proposing any changes, if needed, to those factors, and any other actuarial services that is necessary to provide for the proper operation and administration of TCRS.

TCRS will provide the demographic data necessary for the Contractor to perform the services sought through this RFP in the format examples attached to this RFP as RFP Attachments 6.8, 6.9 and 6.10.

The GASB 67 reports for TCRS' cost-sharing plans can be found at <https://treasury.tn.gov/Retirement/Boards-and-Governance/GASB-and-Actuarial-Information> by selecting "Access the GASB 67 Public Reports site". The GASB 68 information for the cost sharing plans can be found at <https://treasury.tn.gov/Retirement/Boards-and-Governance/GASB-and-Actuarial-Information> by selecting "Access the GASB Public Reports site" and then selecting the "LEA" tab. The GASB 68 information for the agent multiple employer plans can be found at <https://treasury.tn.gov/Retirement/Boards-and-Governance/GASB-and-Actuarial-Information> by selecting "Access the GASB Public Reports site" and then selecting the "Political Subdivision" and "State" tabs.

The most recent funding valuation report for the hybrid plan can be found at <https://treasury.tn.gov/Retirement/Boards-and-Governance/GASB-and-Actuarial-Information> and scrolling to the bottom of the page under the heading "Actuarial Information". The most recent experience study can be found at <https://treasury.tn.gov/Retirement/Boards-and-Governance/GASB-and-Actuarial-Information> and scrolling to the bottom of the page under the heading "Actuarial Information".

The detailed requirements for the TCRS actuarial services can be found in RFP Attachment 6.6, *Pro Forma* Contract.

1.2. **Scope of Service, Contract Period, & Required Terms and Conditions**

The RFP Attachment 6.6., *Pro Forma* Contract details the State's requirements:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,
- Special Terms and Conditions (Section E).

The *pro forma* contract substantially represents the contract document that the successful Respondent must sign.

1.3. **Nondiscrimination**

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

1.4. **RFP Communications**

1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

RFP # 30901-56323

1.4.2. **Unauthorized contact about this RFP with employees or officials of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.**

1.4.2.1. Prospective Respondents must direct communications concerning this RFP to the following person designated as the Solicitation Coordinator:

Dawn Rochelle, Solicitation Coordinator
Tennessee Treasury Department
Telephone: (615) 253-8770
Email: dawn.rochelle@tn.gov

1.4.2.2. Notwithstanding the foregoing, Prospective Respondents may alternatively contact:

- a. staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, woman-owned, service-disabled veteran-owned, businesses owned by persons with disabilities, and small businesses as well as general, public information relating to this RFP (visit <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/governor-s-office-of-diversity-business-enterprise--godbe--/godbe-general-contacts.html> for contact information); and
- b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

Jamie Formont
Director of Human Resources
Telephone: (615) 734-2245
Email: jamie.formont@tn.gov

- 1.4.3. Only the State's official, written responses and communications with Respondents are binding with regard to this RFP. Oral communications between a State official and one or more Respondents are unofficial and non-binding.
- 1.4.4. Potential Respondents must ensure that the State receives all written questions and comments, including questions and requests for clarification, no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events. Any written questions or comments must be e-mailed to the Solicitation Coordinator at dawn.rochelle@tn.gov.
- 1.4.5. Respondents must assume the risk of dispatching any communication or response to the State. The State assumes no responsibility for delays in the State's receipt of any communication or response from Respondents due to technical or other filing delays.
- 1.4.6. The State will convey all official responses and communications related to this RFP to the prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to RFP Section 1.8).
- 1.4.7. The State will convey official, written responses and communications related to this RFP through electronic mail to the prospective Respondents from whom the State has received a Notice of Intent to Respond. The State may also convey such communications by Internet posting. For internet posting, please refer to the following website: <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>.
- 1.4.8. The State reserves the right to determine, at its sole discretion, the appropriateness and adequacy of responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.
- 1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make

reasonable efforts to ensure the accuracy of such data or information, however it is the Respondent's obligation to independently verify any data or information provided by the State. The State expressly disclaims the accuracy or adequacy of any information or data that it provides to prospective Respondents.

1.5. Assistance to Respondents With a Handicap or Disability

Prospective Respondents with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Prospective Respondents may contact the Solicitation Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.6. Respondent Required Review & Waiver of Objections

1.6.1. Each prospective Respondent must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6., *Pro Forma* Contract, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").

1.6.2. Any prospective Respondent having questions and comments concerning this RFP must provide them in writing to the State no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.

1.6.3. Protests based on any objection to the RFP shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Questions & Comments Deadline.

1.7. Pre-Response Teleconference

A Pre-response Teleconference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-response Teleconference attendance is not mandatory.

To participate in the teleconference, contact the Solicitation Coordinator, Dawn Rochelle, at (615) 253-8770 or via e-mail at Dawn.Rochelle@tn.gov for further instructions.

The purpose of the Teleconference is to discuss the RFP scope of goods or services. The State will entertain questions, however prospective Respondents must understand that the State's oral response to any question at the Pre-response Teleconference shall be unofficial and non-binding. Prospective Respondents must submit all questions, comments, or other concerns regarding the RFP in writing prior to the Written Questions & Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to these questions and comments to prospective Respondents from whom the State has received a Notice of Intent to respond as indicated in RFP Section 1.8 and on the date detailed in the RFP Section 2, Schedule of Events.

1.8. Notice of Intent to Respond

Before the Notice of Intent to Respond Deadline detailed in the RFP Section 2, Schedule of Events, prospective Respondents should submit to the Solicitation Coordinator a Notice of Intent to Respond (in the form of a simple e-mail). Such notice should include the following information:

- the business or individual's name (as appropriate);
- a contact person's name and title; and
- the contact person's mailing address, telephone number, facsimile number, and e-mail address.

A Notice of Intent to Respond creates no obligation and is not a prerequisite for submitting a response, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.

1.9. Response Deadline

A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events. The State will not accept late responses, and a Respondent's failure to submit a response before the deadline will result in disqualification of the response. Respondents should be mindful of any potential delays due to technical or other filing delays whether foreseeable or unforeseeable.

2. RFP SCHEDULE OF EVENTS

2.1. The following RFP Schedule of Events represents the State’s best estimate for this RFP.

EVENT	TIME (central time zone)	DATE
1. RFP Issued		January 25, 2024
2. Disability Accommodation Request Deadline	2:00 p.m.	January 30, 2024
3. Pre-response TeleConference	10:00 a.m.	January 31, 2024
4. Notice of Intent to Respond Deadline	2:00 p.m.	February 2, 2024
5. Written “Questions & Comments” Deadline	2:00 p.m.	February 7, 2024
6. State Response to Written “Questions & Comments”		February 15, 2024
7. Technical Response and Cost Proposal Deadline	2:00 p.m.	March 4, 2024
8. State Completion of Technical Response Evaluations		March 18, 2024
9. State Schedules Respondent Oral Presentation (Respondent Finalists Only)		March 19, 2024
10. Respondent Oral Presentation (Respondent Finalists Only)		March 20, 2024 – March 21, 2024
11. State Opening & Scoring of Cost Proposals (Respondent Finalists Only)		March 21, 2024
12. Negotiations (Optional to the State)		March 22, 2024 – March 27, 2024
13. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection		April 1, 2024
14. End of Open File Period		April 8, 2024
15. State sends contract to Contractor for signature		April 9, 2024
16. Contractor Signature Deadline	2:00 p.m.	April 12, 2024

2.2. **The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary.** Any adjustment of the Schedule of Events shall constitute an RFP amendment, and the State will communicate such to prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to section 1.8).

3. RESPONSE REQUIREMENTS

3.1. Response Form

A response to this RFP must consist of two parts, a Technical Response and a Cost Proposal.

- 3.1.1. **Technical Response.** RFP Attachment 6.2., Technical Response & Evaluation Guide provides the specific requirements for submitting a response. This guide includes mandatory requirement items, general qualifications and experience items, and technical qualifications, experience, and approach items all of which must be addressed with a written response and, in some instances, additional documentation.

NOTICE: A technical response must not include any pricing or cost information. If any pricing or cost information amounts of any type (even pricing relating to other projects) is included in any part of the technical response, the State may deem the response to be non-responsive and reject it.

- 3.1.1.1. A Respondent should duplicate and use the RFP Attachment 6.2., Technical Response & Evaluation Guide to organize, reference, and draft the Technical Response by duplicating the attachment, adding appropriate page numbers as required, and using the guide as a table of contents covering the Technical Response.
- 3.1.1.2. A response should be economically prepared, with emphasis on completeness and clarity. A response, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversized exhibits are permissible) and use a 12 point font for text. All response pages must be numbered.
- 3.1.1.3. All information and documentation included in a Technical Response should correspond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.
- 3.1.1.4. The State may determine a response to be non-responsive and reject it if:
- a. the Respondent fails to organize and properly reference the Technical Response as required by this RFP and the RFP Attachment 6.2., Technical Response & Evaluation Guide; or
 - b. the Technical Response document does not appropriately respond to, address, or meet all of the requirements and response items detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide.
- 3.1.2. **Cost Proposal.** A Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

NOTICE: If a Respondent fails to submit a cost proposal exactly as required, the State may deem the response to be non-responsive and reject it.

- 3.1.2.1. A Respondent must only record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.

- 3.1.2.2. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period, including any renewals or extensions.
- 3.1.2.3. A Respondent must sign and date the Cost Proposal. An electronic or facsimile signature, as applicable, is acceptable.
- 3.1.2.4. A Respondent must submit the Cost Proposal to the State in a separate e-mail from the Technical Response (as detailed in RFP Sections 3.2.3., *et seq.*).

3.2. Response Delivery

- 3.2.1. A Respondent must ensure that both the original Technical Response and Cost Proposal documents meet all form and content requirements, including all required signatures, as detailed within this RFP, as may be amended.
- 3.2.2. A Respondent must submit its Technical Response and Cost Proposal documents as specified below.
 - 3.2.2.1. Technical Response:

The Technical Response document should be in the form of one (1) digital document in “PDF” format or other easily accessible digital format attached to an e-mail to the Solicitation Coordinator. Both the subject and file name should both be clearly identified as follows:

“RFP # 30901-56323 TECHNICAL RESPONSE”

The customer references should be delivered by each reference in accordance with RFP Attachment 6.4. Reference Questionnaire.
 - 3.2.2.2. Cost Proposal:

The Cost Proposal should be in the form of one (1) digital document in “PDF” or “XLS” format or other easily accessible digital format attached to an e-mail to the Solicitation Coordinator. Both the subject and file name should both be clearly identified as follows:

“RFP # 30901-56323 COST PROPOSAL ORIGINAL”

An electronic or facsimile signature, as applicable, on the Cost Proposal is acceptable.
- 3.2.3. The Technical Response and Cost Proposal documents must be dispatched to the Solicitation Coordinator in separate e-mail messages.
- 3.2.4. A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events. The Response must be delivered to the Solicitation Coordinator via e-mail at dawn.rochelle@tn.gov. In the event a Respondent’s Response with all attachments and supporting documentation will exceed 15 megabytes in total, the Respondent must place the documents in a zip file or make two or more submissions such that the documents per e-mail submission do not exceed 15 megabytes.

3.3. Response & Respondent Prohibitions

- 3.3.1. A response must not include alternate contract terms and conditions. If a response contains such terms and conditions, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.
- 3.3.2. A response must not restrict the rights of the State or otherwise qualify either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal. If a response restricts the rights of the State or otherwise qualifies either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.
- 3.3.3. A response must not propose alternative goods or services (*i.e.*, offer services different from those requested and required by this RFP) unless expressly requested in this RFP. The State may consider a response of alternative goods or services to be non-responsive and reject it.
- 3.3.4. A Cost Proposal must be prepared and arrived at independently and must not involve any collusion between Respondents. The State will reject any Cost Proposal that involves collusion, consultation, communication, or agreement between Respondents. Regardless of the time of detection, the State will consider any such actions to be grounds for response rejection or contract termination.
- 3.3.5. A Respondent must not provide, for consideration in this RFP process or subsequent contract negotiations, any information that the Respondent knew or should have known was materially incorrect. If the State determines that a Respondent has provided such incorrect information, the State will deem the Response non-responsive and reject it.
- 3.3.6. A Respondent must not submit more than one Technical Response and one Cost Proposal in response to this RFP, except as expressly requested by the State in this RFP. If a Respondent submits more than one Technical Response or more than one Cost Proposal, the State will deem all of the responses non-responsive and reject them.
- 3.3.7. A Respondent must not submit a response as a prime contractor while also permitting one or more other Respondents to offer the Respondent as a subcontractor in their own responses. Such may result in the disqualification of all Respondents knowingly involved. This restriction does not, however, prohibit different Respondents from offering the same subcontractor as a part of their responses (provided that the subcontractor does not also submit a response as a prime contractor).
- 3.3.8. The State shall not consider a response from an individual who is, or within the past six (6) months has been, a State employee. For purposes of this RFP:
 - 3.3.8.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;
 - 3.3.8.2. A contract with or a response from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and
 - 3.3.8.3. A contract with or a response from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six (6) months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.
- 3.3.9. This RFP is also subject to Tenn. Code Ann. § 12-4-101—105.

3.4. **Response Errors & Revisions**

A Respondent is responsible for any and all response errors or omissions. A Respondent will not be allowed to alter or revise response documents after the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

3.5. **Response Withdrawal**

A Respondent may withdraw a submitted response at any time before the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Respondent representative to the Solicitation Coordinator via e-mail at dawn.rochelle@tn.gov. After withdrawing a response, a Respondent may submit another response at any time before the Response Deadline. After the Response Deadline, a Respondent may only withdraw all or a portion of a response where the enforcement of the response would impose an unconscionable hardship on the Respondent.

3.6. **Additional Services**

If a response offers goods or services in addition to those required by and described in this RFP, the State, at its sole discretion, may add such services to the contract awarded as a result of this RFP. Notwithstanding the foregoing, a Respondent must not propose any additional cost amounts or rates for additional goods or services. Regardless of any additional services offered in a response, the Respondent's Cost Proposal must only record the proposed cost as required in this RFP and must not record any other rates, amounts, or information.

NOTICE: If a Respondent fails to submit a Cost Proposal exactly as required, the State may deem the response non-responsive and reject it.

3.7. **Response Preparation Costs**

The State will not pay any costs associated with the preparation, submittal, or presentation of any response.

4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

4.1. RFP Amendment

The State at its sole discretion may amend this RFP, in writing, at any time prior to contract award. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential Respondents to meet the response deadline and revise the RFP Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential Respondents who submitted a Notice of Intent to Respond (refer to RFP Section 1.8). A response must address the final RFP (including its attachments) as amended.

4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel the RFP or to cancel and reissue this RFP in accordance with applicable laws and regulations.

4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all responses.

4.3.2. The State may deem as non-responsive and reject any response that does not comply with all terms, conditions, and performance requirements of this RFP. Notwithstanding the foregoing, the State reserves the right to waive, at its sole discretion, minor variances from full compliance with this RFP. If the State waives variances in a response, such waiver shall not modify the RFP requirements or excuse the Respondent from full compliance, and the State may hold any resulting Contractor to strict compliance with this RFP.

4.4. Assignment & Subcontracting

4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.4.2. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.14.).

4.4.3. Subcontractors identified within a response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.4.4. After contract award, a Contractor may only substitute an approved subcontractor at the discretion of the State and with the State's prior, written approval.

4.4.5. Notwithstanding any State approval relating to subcontracts, the Respondent who is awarded a contract pursuant to this RFP will be the prime contractor and will be responsible for all work under the Contract.

4.5. Right to Refuse Personnel or Subcontractors

The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing goods or services in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.

4.6. **Insurance**

The State will require the awarded Contractor to provide a Certificate of Insurance issued by an insurance company licensed or authorized to provide insurance in the State of Tennessee. Each Certificate of Insurance shall indicate current insurance coverages meeting minimum requirements as may be specified by this RFP. A failure to provide a current, Certificate of Insurance will be considered a material breach and grounds for contract termination.

4.7. **Professional Licensure and Department of Revenue Registration**

- 4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as a part of a response to this RFP, shall be properly licensed to render such opinions.
- 4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary or appropriate business or professional licenses to provide the goods or services as required by the contract. The State may require any Respondent to submit evidence of proper licensure.
- 4.7.3. Before the Contract resulting from this RFP is signed, the apparent successful Respondent must be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the Respondent provides proof of such registration or provides documentation from the Department of Revenue that the Contractor is exempt from this registration requirement. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation. To register, please visit the Department of Revenue's Tennessee Taxpayer Access Point (TNTAP) website for Online Registration and the Vendor Contract Questionnaire. These resources are available at the following:
<https://tntap.tn.gov/eservices/#1>

4.8. **Disclosure of Response Contents**

- 4.8.1. All materials submitted to the State in response to this RFP shall become the property of the State of Tennessee. Selection or rejection of a response does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full response contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.
- 4.8.2. The State will hold all response information, including both technical and cost information, in confidence during the evaluation process.
- 4.8.3. Upon completion of response evaluations, indicated by public release of a Notice of Intent to Award, the responses and associated materials will be open for review by the public in accordance with Tenn. Code Ann. § 10-7-504(a)(7).

4.9. **Contract Approval and Contract Payments**

- 4.9.1. After contract award, the Contractor who is awarded the contract must submit appropriate documentation with the Department of Finance and Administration, Division of Accounts.
- 4.9.2. This RFP and its contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Respondent with the apparent best-evaluated response or any other Respondent. State obligations pursuant to a contract award shall commence only after the Contract is signed by the State agency head and the Contractor and after the Contract is approved by all other state officials as required by applicable laws and regulations.

4.9.3. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.

4.9.3.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for any goods delivered or services rendered by the Contractor, even goods delivered or services rendered in good faith and even if the Contractor is orally directed to proceed with the delivery of goods or the rendering of services, if it occurs before the Contract Effective Date or after the Contract Term.

4.9.3.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6., *Pro Forma* Contract, Section C).

4.9.3.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of goods or services as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amounts that it determines do not represent reasonable, necessary, and actual costs.

4.10. **Contractor Performance**

The Contractor who is awarded a contract will be responsible for the delivery of all acceptable goods or the satisfactory completion of all services set out in this RFP (including attachments) as may be amended. All goods or services are subject to inspection and evaluation by the State. The State will employ all reasonable means to ensure that goods delivered or services rendered are in compliance with the Contract, and the Contractor must cooperate with such efforts.

4.11. **Contract Amendment**

After Contract award, the State may request the Contractor to deliver additional goods or perform additional services within the general scope of the Contract and this RFP, but beyond the specified Scope, and for which the Contractor may be compensated. In such instances, the State will provide the Contractor a written description of the additional goods or services. The Contractor must respond to the State with a time schedule for delivering the additional goods or accomplishing the additional services based on the compensable units included in the Contractor's response to this RFP. If the State and the Contractor reach an agreement regarding the goods or services and associated compensation, such agreement must be effected by means of a contract amendment. Further, any such amendment requiring additional goods or services must be signed by both the State agency head and the Contractor and must be approved by other state officials as required by applicable statutes, rules, policies and procedures of the State of Tennessee. The Contractor must not provide additional goods or render additional services until the State has issued a written contract amendment with all required approvals.

4.12. **Severability**

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Respondents will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

4.13. **Next Ranked Respondent**

The State reserves the right to initiate negotiations with the next ranked Respondent should the State cease doing business with any Respondent selected via this RFP process.

5. EVALUATION & CONTRACT AWARD

5.1. Evaluation Categories & Maximum Points

The State will consider qualifications, experience, technical approach, and cost in the evaluation of responses and award points in each of the categories detailed below (up to the maximum evaluation points indicated) to each response deemed by the State to be responsive.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
General Qualifications & Experience (refer to RFP Attachment 6.2., Section B)	10
Technical Qualifications, Experience & Approach (refer to RFP Attachment 6.2., Section C)	60
Oral Presentation – RESPONDENT FINALISTS ONLY (refer to RFP Attachment 6.2., Section D)	10
Cost Proposal – RESPONDENT FINALISTS ONLY (refer to RFP Attachment 6.3.)	20

5.2. Evaluation Process

The evaluation process is designed to award the contract resulting from this RFP not necessarily to the Respondent offering the lowest cost, but rather to the Respondent deemed by the State to be responsive and responsible who offers the best combination of attributes based upon the evaluation criteria. ("Responsive Respondent" is defined as a Respondent that has submitted a response that conforms in all material respects to the RFP. "Responsible Respondent" is defined as a Respondent that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

5.2.1. **Technical Response Evaluation.** The Solicitation Coordinator and the Proposal Evaluation Team (consisting of three (3) or more State employees) will use the RFP Attachment 6.2., Technical Response & Evaluation Guide to manage the Technical Response Evaluation and maintain evaluation records.

5.2.1.1. The State reserves the right, at its sole discretion, to request Respondent clarification of a Technical Response or to conduct clarification discussions with any or all Respondents. Any such clarification or discussion will be limited to specific sections of the response identified by the State. The subject Respondent must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.

5.2.1.2. The Solicitation Coordinator will review each Technical Response to determine compliance with RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A— Mandatory Requirements. If the Solicitation Coordinator determines that a response failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the response and document the team's determination of whether:

- a. the response adequately meets RFP requirements for further evaluation;
- b. the State will request clarifications or corrections for consideration prior to further evaluation; or,

- c. the State will determine the response to be non-responsive to the RFP and reject it.
- 5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Response (that is responsive to the RFP) against the evaluation criteria in this RFP, and will score each in accordance with the RFP Attachment 6.2., Technical Response & Evaluation Guide.
 - 5.2.1.4. For each response evaluated, the Solicitation Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Response & Evaluation Guide, and record each average as the response score for the respective Technical Response section.
 - 5.2.1.5. The Solicitation Coordinator will invite the top three (3) ranked Respondents to make an Oral Presentation. The ranking will be determined after the Technical Response score is totaled and ranked (e.g., 1 – the best evaluated ranking, etc.). In the event of a tie score in the top three rankings, the Solicitation Coordinator will identify all responsive and responsible Respondents that received those scores. The Solicitation Coordinator will then invite each Respondent Finalist to make an oral presentation. The presentation shall be conducted remotely via web conference, hosted by the State. The Respondent must provide a hard copy of its presentation materials to the Solicitation Coordinator the day before the Respondent's presentation.
 - 5.2.1.5.1. The Oral Presentations are mandatory. The Solicitation Coordinator will schedule Respondent Presentations during the period indicated by the RFP Section 2, Schedule of Events. The Solicitation Coordinator will make every effort to accommodate each Respondent's schedules. When the Respondent Presentation has been determined, the Solicitation Coordinator will contact Respondents with the relevant information as indicated by RFP Section 2, Schedule of Events.
 - 5.2.1.5.2. Respondent Presentations are only open to the invited Respondent, Proposal Evaluation Team members, the Solicitation Coordinator, and any technical consultants who are selected by the State to provide assistance to the Proposal Evaluation Team.
 - 5.2.1.5.3. Oral Presentations provide an opportunity for Respondents to explain and clarify their responses. Respondents must not materially alter their responses and Presentations will be limited to addressing the items detailed in Section D of RFP Attachment 6.2., Technical Response & Evaluation Guide. Respondent pricing shall not be discussed or provided during Oral Presentations.
 - 5.2.1.5.4. The State will maintain an accurate record of each Respondent's Oral Presentation. The record of the Respondent's Oral Presentation shall be available for review when the State opens the procurement files for public inspection.
 - 5.2.1.5.5. Proposal Evaluation Team members will independently evaluate each Oral Presentation in accordance with the RFP Attachment 6.2., Technical Response & Evaluation Guide, Section D.
 - 5.2.1.5.6. The Solicitation Coordinator will calculate and document the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Response & Evaluation Guide, Section D, and record that number as the score for Respondent's Technical Response section.

- 5.2.1.6. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Technical Response Evaluation record and any other available information pertinent to whether or not each Respondent is responsive and responsible. If the Proposal Evaluation Team identifies any Respondent that does not meet the responsive and responsible thresholds such that the team would not recommend the Respondent for Cost Proposal Evaluation and potential contract award, the team members will fully document the determination.
- 5.2.2. **Cost Proposal Evaluation.** The Solicitation Coordinator will open for evaluation the Cost Proposal of each Respondent deemed by the State to be responsive and responsible and calculate and record each Cost Proposal score in accordance with the RFP Attachment 6.3., Cost Proposal & Scoring Guide.
- 5.2.3. **Clarifications and Negotiations.** The State reserves the right to award a contract on the basis of initial responses received, therefore, each response shall contain the Respondent's best terms and conditions from a technical and cost standpoint. The State reserves the right to conduct clarifications or negotiations with one or more Respondents. All communications, clarifications, and negotiations shall be conducted in a manner that supports fairness in response improvement.
- 5.2.3.1. **Clarifications:** The State may identify areas of a response that may require further clarification or areas in which it is apparent that there may have been miscommunications or misunderstandings as to the State's specifications or requirements. The State may seek to clarify those issues identified during one or multiple clarification rounds. Each clarification sought by the State may be unique to an individual Respondent, provided that the process is conducted in a manner that supports fairness in response improvement.
- 5.2.3.2. **Negotiations:** The State may elect to negotiate with one or more Respondents by requesting revised responses, negotiating costs, or finalizing contract terms and conditions. The State reserves the right to conduct multiple negotiation rounds or no negotiations at all.
- 5.2.3.3. **Cost Negotiations:** All Respondents, selected for negotiation by the State, will be given equivalent information with respect to cost negotiations. All cost negotiations will be documented for the procurement file. Additionally, the State may conduct target pricing and other goods or services level negotiations. Target pricing may be based on considerations such as current pricing, market considerations, benchmarks, budget availability, or other methods that do not reveal individual Respondent pricing. During target price negotiations, Respondents are not obligated to reduce their pricing to target prices, but no Respondent is allowed to increase prices.
- 5.2.3.4. If the State determines that it is unable to successfully negotiate terms and conditions of a contract with the apparent best evaluated Respondent, the State reserves the right to bypass the apparent best evaluated Respondent and enter into terms and conditions contract negotiations with the next apparent best evaluated Respondent.
- 5.2.4. **Total Response Score.** The Solicitation Coordinator will calculate the sum of the Technical Response section scores and the Cost Proposal score and record the resulting number as the total score for the subject Response (refer to RFP Attachment 6.5., Score Summary Matrix).

5.3. **Contract Award Process**

- 5.3.1 The Solicitation Coordinator will submit the Proposal Evaluation Team determinations and scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.

- 5.3.2. The procuring agency head will determine the apparent best-evaluated Response. To effect a contract award to a Respondent other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Chief Procurement Officer and the Comptroller of the Treasury.
- 5.3.3. The State will issue a Notice of Intent to Award identifying the apparent best-evaluated response and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

NOTICE: The Notice of Intent to Award shall not create rights, interests, or claims of entitlement in either the apparent best-evaluated Respondent or any other Respondent.

- 5.3.4. The Respondent identified as offering the apparent best-evaluated response must sign a contract drawn by the State pursuant to this RFP. The Contract shall be substantially the same as the RFP Attachment 6.6., *Pro Forma* Contract. The Respondent must sign the contract by the Contractor Signature Deadline detailed in the RFP Section 2, Schedule of Events. If the Respondent fails to provide the signed Contract by this deadline, the State may determine that the Respondent is non-responsive to this RFP and reject the response.
- 5.3.5. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited terms and conditions or pricing negotiations prior to Contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response evaluations or negatively impact the competitive nature of the RFP and contractor selection process.
- 5.3.6. If the State determines that a response is non-responsive and rejects it after opening Cost Proposals, the Solicitation Coordinator will re-calculate scores for each remaining responsive Cost Proposal to determine (or re-determine) the apparent best-evaluated response.

RFP # 30901-56323 STATEMENT OF CERTIFICATIONS AND ASSURANCES

The Respondent must sign and complete the Statement of Certifications and Assurances below as required, and it must be included in the Technical Response (as required by RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A, Item A.1.). An electronic or facsimile signature, as applicable, is acceptable.

The Respondent does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:

1. The Respondent will comply with all of the provisions and requirements of the RFP.
2. The Respondent will provide all services as defined in the Scope of the RFP Attachment 6.6., *Pro Forma* Contract for the total Contract Term.
3. The Respondent, except as otherwise provided in this RFP, accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma* Contract.
4. The Respondent acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the Contract.
5. The Respondent will comply with:
 - (a) the laws of the State of Tennessee;
 - (b) Title VI of the federal Civil Rights Act of 1964;
 - (c) Title IX of the federal Education Amendments Act of 1972;
 - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
 - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the response submitted to this RFP is accurate.
7. The response submitted to this RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with this RFP or any resulting contract.
9. Both the Technical Response and the Cost Proposal submitted in response to this RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.
10. The Respondent affirms the following statement, as required by the Iran Divestment Act Tenn. Code Ann. § 12-12-111: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to §12-12-106." For reference purposes, the list is currently available online at: <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/library-/public-information-library.html>.

By signing this Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If the signatory is not the Respondent (if an individual) or the Respondent's company *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to bind the Respondent.

DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE RESPONDENT

SIGNATURE:

PRINTED NAME & TITLE:

DATE:

**RESPONDENT LEGAL ENTITY
NAME:**

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION A: MANDATORY REQUIREMENTS. The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

The Solicitation Coordinator will review the response to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the response and attach a written determination. In addition to the Mandatory Requirement Items, the Solicitation Coordinator will review each response for compliance with all RFP requirements.

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		The Response must be delivered to the State no later than the Response Deadline specified in the RFP Section 2, Schedule of Events.	
		The Technical Response and Cost Proposal documents were dispatched to the Solicitation Coordinator in separate e-mail messages (refer to RFP Section 3.2.3)	
		The Technical Response must NOT contain cost or pricing information of any type.	
		The Technical Response must NOT contain any restrictions of the rights of the State or other qualification of the response.	
		A Respondent must NOT submit alternate responses (refer to RFP Section 3.3.).	
		A Respondent must NOT submit multiple responses in different forms (as a prime and a subcontractor) (refer to RFP Section 3.3.).	
	A.1.	Provide the Statement of Certifications and Assurances (RFP Attachment 6.1.) completed and signed by an individual empowered to bind the Respondent to the provisions of this RFP and any resulting contract. The document must be signed without exception or qualification.	
	A.2.	Provide a statement, based upon reasonable inquiry, of whether the Respondent or any individual who shall cause to deliver goods or perform services under the contract has a possible conflict of interest (<i>e.g.</i> , employment by the State of Tennessee) and, if so, the nature of that conflict. NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.3.	Provide a current bank reference indicating that the Respondent maintains a satisfactory business relationship with the financial institution. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
	A.4.	Provide a statement that your company is a professional actuarial services firm that provides actuarial valuation, experience investigations, and pension consulting services.	
	A.5.	Provide a statement that your firm currently serves as a consulting actuarial firm for at least three (3) public defined benefit pension plans.	
	A.6.	Provide a statement that within the past three years, your firm had a minimum of two (2) public pension clients, at least one of which with at least 50,000 members and the other with at least 10,000 members, who engaged the firm for such services as valuation assignments and experience analysis.	
	A.7.	Provide a statement that your firm performed within the last three years an actuarial valuation and experience study for a public pension plan with assets exceeding \$3 billion, membership exceeding 50,000 and retirees exceeding 20,000.	
	A.8.	Provide a statement that if awarded a contract under this RFP, the primary actuary that will perform the work under the contract will be a Fellow of the Society of Actuaries and an enrolled actuary.	
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>			

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE. The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below. Proposal Evaluation Team members will independently evaluate and assign one score for all responses to Section B— General Qualifications & Experience Items.

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
	B.1.	Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the response.
	B.2.	Describe the Respondent’s form of business (<i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).
	B.3.	Detail the number of years the Respondent has been in business.
	B.4.	Briefly describe how long the Respondent has been providing the goods or services required by this RFP.
	B.5.	Describe the Respondent’s number of employees, client base, and location of offices.
	B.6.	Provide a statement of whether there have been any mergers, acquisitions, or change of control of the Respondent within the last ten (10) years. If so, include an explanation providing relevant details.
	B.7.	Provide a statement of whether the Respondent or, to the Respondent’s knowledge, any of the Respondent’s employees, agents, independent contractors, or subcontractors, involved in the delivery of goods or performance of services on a contract pursuant to this RFP, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.
	B.8.	Provide a statement of whether, in the last ten (10) years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.
	B.9.	Provide a statement of whether there is any material, pending litigation against the Respondent that the Respondent should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material adverse effect on the Respondent’s financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Respondent’s performance in a contract pursuant to this RFP. NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions.
	B.10.	Provide a statement of whether there are any pending or in progress Securities Exchange Commission or other regulatory agency investigations involving the Respondent. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>whether and to what extent it will impair the Respondent's performance in a contract pursuant to this RFP.</p> <p>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions.</p>
	B.11.	Provide a brief, descriptive statement detailing evidence of the Respondent's ability to deliver the goods or services sought under this RFP (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).
	B.12.	Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to deliver the goods or services required by this RFP.
	B.13.	Provide a personnel roster listing the names of key people who the Respondent will assign to meet the Respondent's requirements under this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Respondent, and employment history.
	B.14.	<p>Provide a statement of whether the Respondent intends to use subcontractors to meet the Respondent's requirements of any contract awarded pursuant to this RFP, and if so, detail:</p> <p>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;</p> <p>(b) a description of the scope and portions of the goods each subcontractor involved in the delivery of goods or performance of the services each subcontractor will perform; <u>and</u></p> <p>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondent's response to this RFP.</p>
	B.15.	<p>Provide documentation of the Respondent's commitment to diversity as represented by the following:</p> <p>(a) <u>Business Strategy</u>. Provide a description of the Respondent's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, service-disabled veterans, persons with disabilities, and small business enterprises. Please also include a list of the Respondent's certifications as a diversity business, if applicable.</p> <p>(b) <u>Business Relationships</u>. Provide a listing of the Respondent's current contracts with business enterprises owned by minorities, women, service-disabled veterans, persons with disabilities, and small business enterprises. Please include the following information:</p> <p>(i) contract description;</p> <p>(ii) contractor name and ownership characteristics (i.e., ethnicity, gender, service-disabled veteran-owned or persons with disabilities);</p> <p>(iii) contractor contact name and telephone number.</p> <p>(c) <u>Estimated Participation</u>. Provide an estimated level of participation by business enterprises owned by minorities, women, service-disabled veterans, persons with disabilities and small business enterprises if a contract is awarded to the Respondent pursuant to this RFP. Please include the following information:</p> <p>(i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be</p>

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>dedicated to business with subcontractors and supply contractors having such ownership characteristics only and DO NOT INCLUDE DOLLAR AMOUNTS;</p> <p>(ii) anticipated goods or services contract descriptions;</p> <p>(iii) names and ownership characteristics (i.e., ethnicity, gender, service-disabled veterans, or disability) of anticipated subcontractors and supply contractors.</p> <p>NOTE: In order to claim status as a Diversity Business Enterprise under this contract, businesses must be certified by the Governor’s Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9810 for more information.</p> <p>(d) <u>Workforce</u>. Provide the percentage of the Respondent’s total current employees by ethnicity and gender.</p> <p>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, service-disabled veterans, persons with disabilities, and small business enterprises and who offer a diverse workforce.</p>
	B.16.	<p>Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five (5) year period. If so, provide the following information for all of the current and completed contracts:</p> <p>(a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract;</p> <p>(b) the procuring State agency name;</p> <p>(c) a brief description of the contract’s scope of services;</p> <p>(d) the contract period; and</p> <p>(e) the contract number.</p>
	B.17.	<p>Provide a statement and any relevant details addressing whether the Respondent is any of the following:</p> <p>(a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or state department or agency;</p> <p>(b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;</p> <p>(c) is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed above; and</p> <p>(d) has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default.</p>
	B.18.	<p>Please state the number of governmental pension plans for which you provide actuarial services and the type of services provided.</p>

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
<p align="center">SCORE (for <u>all</u> Section B—Qualifications & Experience Items above): (maximum possible score = 10)</p>		
<p><i>State Use – Evaluator Identification:</i></p>		

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH. The Respondent must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

0 = little value 1 = poor 2 = fair 3 = satisfactory 4 = good 5 = excellent

The Solicitation Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's Raw Weighted Score for purposes of calculating the section score as indicated.

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.1.	Provide a narrative that illustrates the Respondent's understanding of the State's requirements and project schedule.		3	
	C.2.	Describe your process for sensitivity/stress testing on TCRS of different actuarial assumptions and methods, projected adverse investment and actuarial events.		9	
	C.3.	Describe how the actuarial valuation for TCRS will be performed. Describe the data needed to perform the valuation.		4	
	C.4.	Describe the specific information (data) that will be provided in the actuarial valuation report to the TCRS Board of Trustees.		4	
	C.5.	The Hybrid Pension Plan for state employees, higher education employees, and teachers hired after June 30, 2014 has cost and unfunded liability controls as described in Tennessee Code Annotated, Section 8-36-922. Outline your approach on how you will perform the actuarial valuation and implement the cost and unfunded liability controls.		4	
	C.6.	Describe the recommended approach to securely transmitting member data provided by TCRS related to valuations and experience studies. Also describe how TCRS data will be secured at rest and within your system.		12	
	C.7.	Describe how you will provide the information required for financial reporting purposes under Governmental Accounting Standards Board (GASB) statements for the pension plan and participating employers.		4	
	C.9.	Describe how the actuarial value of assets will be calculated based upon the market value of assets report that will be provided by TCRS.		4	
	C.10.	Describe how the validity of the data provided by TCRS for both the actuarial valuation and experience study will be determined and the process that will be used to review the data.		4	

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.11.	Describe how an actuarial investigation into the assumptions (demographic and economic) and tables used by the plan will be performed. Describe the information (data) that will be in the actuarial investigation report to the TCRS Board of Trustees.		4	
	C.12.	Describe the process by which you set mortality tables. Provide a narrative regarding the extent to which the setting of actuarial assumptions regarding demographic experience, such as mortality, is a study of historical data versus prediction of future trends.		4	
	C.13.	Describe the specific information (data) you will need and the process you will use to calculate the initial employer contribution rate for a political subdivision seeking participation in TCRS as described in Section A.5 of the <i>Pro Forma</i> Contract (RFP Attachment 6.6).		4	
	C.14.	Describe how your firm routinely informs its clients of changes in federal requirements, revisions to accounting standards, pending federal legislation or regulations, or new methods of achieving benefit objectives.		4	
	C.15.	There are certain services required in the <i>Pro Forma</i> Contract (RFP Attachment 6.6) that require a quick response (such as cost for proposed legislation) without interfering with the deadlines for the other services required under the Contract. Describe how your firm would provide the quick response required while still meeting the deadlines of other required services.		4	
	C.16.	TCRS requires valuations on State, K-12 teachers, political subdivisions, and other systems noted below. Explain your approach to providing this data. Group 1: General State Employees & Teachers Group 2: Public Safety Officers (closed) Group 3: Judicial Retirement System (closed) Group 4: Judicial Retirement System (open) Hybrid Plan for State and Higher Education Employees Hybrid Plan for K-12 public school teachers Hybrid Plan for judicial employees		10	
	C.17.	There is over 603 local political subdivision employing units that participate in TCRS. Each political subdivision has a menu of 60 options and new plans from which to choose in defining how they participate in TCRS. Additionally, a political subdivision may change plan designs prospectively and a separate rate will be calculated for each plan design adopted by a political subdivision. A separate actuarial valuation is performed for each political subdivision participating in TCRS which results in a single employer contribution rate for each employer. In addition, some actuarial and demographic assumptions are those developed for state employees and others are for all political subdivisions combined. Some political subdivisions		10	

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		themselves have subordinate entities that are themselves rolled up to master agencies. Provide a narrative that illustrates that your firm understands how political subdivisions participate in TCRS. Describe how your firm will perform the actuarial valuation for each of the participating political subdivision employers.			
	C.18.	TCRS provides an additional benefit to public safety officers at age 55 until they are eligible for Social Security (currently at age 62) referred to as a “bridge benefit”. Officers are mandatorily retired at age 60. However, if less than 50% of an officer’s duties are involved in day-to-day law enforcement, then the officer may, at the officer’s option, continue working until eligible for Social Security, which is currently age 62. Describe your approach and experience with this type of provision in calculating the contribution rate related thereto.		4	
	C.19.	TCRS has a Qualified Excess Benefit Arrangement or QEBA. Describe your approach and experience with calculating the amount of an excess benefit and advising a pension plan with the most appropriate approach for funding these excess benefits.		1	
	C.20.	To the extent that TCRS adopts a Benefit Replacement Plan as a substitute for a QEBA, describe your approach and experience with calculating the amount of excess benefits using a Benefit Replacement Plan.		1	
	C.21.	Describe the timeline for receipt of information from the plan for delivery of the actuarial valuation to the TCRS Board of Trustees.		4	
	C.22.	Provide any information on tools that can be used by TCRS to model different cost scenarios, trends, plan changes, etc., that you believe would be relevant to TCRS.		2	
<p><i>The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i></p>					<p>Total Raw Weighted Score: (sum of Raw Weighted Scores above)</p>
<p>Total Raw Weighted Score</p> <hr/> <p>Maximum Possible Raw Weighted Score (i.e., 5 x the sum of item weights above)</p>					<p>X 60 (maximum possible score)</p> <p>= SCORE:</p>
<p><i>State Use – Evaluator Identification:</i></p>					

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 (sum x factor)
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:													
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 Pro Forma Contract)</small>	July 1, 2030 — June 30, 2031 <small>(If Term extended pursuant to Section B.2 of the Pro Forma Contract)</small>	July 1, 2031 — June 30, 2032 <small>(If Term extended pursuant to Section B.2 of the Pro Forma Contract)</small>	July 1, 2032 — June 30, 2033 <small>(If Term extended pursuant to Section B.2 of the Pro Forma Contract)</small>	July 1, 2033 — June 30, 2034 <small>(If Term extended pursuant to Section B.2 of the Pro Forma Contract)</small>	Sum	Evaluation Factor	Evaluation Cost <small>(sum x factor)</small>
TCRS Actuarial Experience Study as described in Sections A.4.a. and A.4.c. of the <i>Pro Forma</i> Contract (RFP Attachment 6.6)	\$ _____ <small>(flat fee)</small>	N/A	N/A	N/A	\$ _____ <small>(flat fee)</small>	N/A	N/A	N/A	\$ _____ <small>(flat fee)</small>	N/A		1	
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 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 <small>(Assumes 10 studies 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 (sum x factor)
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 (Assumes 200 additional employees per year)	
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:													
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 (sum x factor)
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 (Assumes 4 studies per year)	
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 (Assumes 100 additional employees 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 (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)
Calculation of Cost to Adopt TCRS Benefit Improvements as described in Section A.7 of the Pro Forma 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 (Assumes 20 benefit improvement calculations per year)	
Sensitivity and Stress Test Analyses as described in Section A.11 of the Pro Forma 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	
Other TCRS Actuarial Services as described in Sections A.4.b. and A.12 of the Pro Forma 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 (Assumes 300 hours per year)	

RESPONDENT LEGAL ENTITY NAME:	Proposed Cost							State Use ONLY					
Cost Item Description	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 Pro Forma Contract)</small>	July 1, 2030 — June 30, 2031 <small>(If Term extended pursuant to Section B.2 of the Pro Forma Contract)</small>	July 1, 2031 — June 30, 2032 <small>(If Term extended pursuant to Section B.2 of the Pro Forma Contract)</small>	July 1, 2032 — June 30, 2033 <small>(If Term extended pursuant to Section B.2 of the Pro Forma Contract)</small>	July 1, 2033 — June 30, 2034 <small>(If Term extended pursuant to Section B.2 of the Pro Forma Contract)</small>	Sum	Evaluation Factor	Evaluation Cost (sum x 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.													
$\frac{\text{lowest evaluation cost amount from all proposals}}{\text{evaluation cost amount being evaluated}} \times 20 = \text{SCORE:}$ <p style="text-align: center;">(maximum possible score)</p>													
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>													

REFERENCE QUESTIONNAIRE

The standard reference questionnaire provided on the following pages of this attachment should be completed by all individuals offering a reference for the Respondent.

The Respondent will be solely responsible for obtaining completed reference questionnaires as detailed below. Provide references from individuals who are not current State employees of the procuring State Agency for projects similar to the goods or services sought under this RFP and which represent:

- two (2) contracts Respondent currently services that are similar in size and scope to the services required by this RFP; and
- three (3) completed contracts that are similar in size and scope to the services required by this RFP.

References from at least three (3) different individuals are required to satisfy the requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The individual contact reference provided for each contract or project shall not be a current State employee of the procuring State agency. Procuring State agencies that accept references from another State agency shall document, in writing, a plan to ensure that no contact is made between the procuring State agency and a referring State agency. The standard reference questionnaire should be used and completed, and is provided on the next page of this RFP Attachment 6.4.

In order to obtain and submit the completed reference questionnaires follow the process below.

- (a) Add the Respondent's name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference.
- (b) Either (i) send a reference questionnaire to each reference or (ii) e-mail the reference with a copy of the standard reference questionnaire.
- (c) Instruct the reference to:
 - (i) complete the reference questionnaire;
 - (ii) sign and date the completed reference questionnaire;
 - (iii) E-mail the reference directly to the Solicitation Coordinator by the RFP Technical Response Deadline with the Subject line of the e-mail as "[Respondent's Name] Reference for RFP #30901-56323".

NOTES:

- The State will not accept late references or references submitted by any means other than as described above, and each reference questionnaire submitted must be completed as required.
- The State will not review more than the number of required references indicated above.
- While the State will base its reference check on the contents of the reference e-mails, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references.
- The State is under no obligation to clarify any reference information.

RFP # 30901-56323 REFERENCE QUESTIONNAIRE

REFERENCE SUBJECT: RESPONDENT NAME (completed by Respondent before reference is requested)

The “reference subject” specified above, intends to submit a response to the State of Tennessee in response to the Request for Proposals (RFP) indicated. As a part of such response, the reference subject must include a number of completed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
 - sign and date the completed questionnaire. An electronic signature is acceptable; and
 - e-mail the completed questionnaire to Dawn Rochelle whose e-mail address is dawn.rochelle@tn.gov.
-

(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?

(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.

NAME:	
TITLE:	
TELEPHONE #	
E-MAIL ADDRESS:	

(3) What goods or services does/did the reference subject provide to your company or organization?

(4) If the goods or services that the reference subject provided to your company or organization are completed, were the goods or services provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.

(5) **If the reference subject is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.**

(6) **How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?**

REFERENCE SIGNATURE:

(by the individual completing this request for reference information)

DATE:

SCORE SUMMARY MATRIX

	<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>	
GENERAL QUALIFICATIONS & EXPERIENCE (maximum: 10)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH (maximum: 60)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
ORAL PRESENTATION – RESPONDENT FINALISTS (maximum: 10)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
COST PROPOSAL (maximum:20)	SCORE:		SCORE:		SCORE:	
TOTAL RESPONSE EVALUATION SCORE: (maximum: 100)						
<i>Solicitation Coordinator Signature, Printed Name & Date:</i>						

RFP # 30901-56323 *PRO FORMA* CONTRACT

The *Pro Forma* Contract detailed in following pages of this exhibit contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFP.

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
TREASURY DEPARTMENT
AND
[CONTRACTOR NAME]**

This Contract, by and between State of Tennessee, Treasury Department ("State") and [CONTRACTOR LEGAL ENTITY NAME] ("Contractor"), is for the provision of actuarial services for the Tennessee Consolidated Retirement System ("TCRS"), as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is [A/AN INDIVIDUAL, FOR-PROFIT CORPORATION, NON-PROFIT CORPORATION, SPECIAL PURPOSE CORPORATION OR ASSOCIATION, PARTNERSHIP, JOINT VENTURE, OR LIMITED LIABILITY COMPANY].

Contractor Place of Incorporation or Organization: [LOCATION]

Contractor Edison Registration ID # [NUMBER]

A. SCOPE:

A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.

A.2. TCRS Annual Actuarial Valuations.

- a. In General. The Contractor shall perform annual actuarial valuations of TCRS beginning for the fiscal year starting July 1, 2023 to June 30, 2024 based on (1) the assets and liabilities for each coverage group as defined in Section A.2.c below, (2) the demographic data provided by TCRS, (3) the actuarial assumptions and tables adopted by TCRS, and (4) such other data and/or information necessary to perform the respective actuarial valuation in accordance with the then current standards of the Governmental Accounting Standards Board, hereinafter referred to as "GASB", and the laws and regulations governing TCRS.
- b. Purpose. The actuarial valuations shall be performed for the purpose of determining for each coverage group (1) the appropriate employer contribution rate based on the funding policies of TCRS, (2) the assets and actuarial liabilities of the respective coverage group, (3) the appropriate actuarial data to be included in the TCRS financial statements (as required by the then current pronouncements of GASB), (4) the appropriate actuarial data to be included in the respective employer's financial statements as required by the then current pronouncements of GASB, and (5) any adjustments necessary under the cost controls and unfunded liability controls of the Hybrid Retirement Plan for State Employees and Teachers established in Tennessee Code Annotated, Title 8, Chapter 36, Part 9, as may be amended from time to time. All calculations made pursuant to this Section shall be made in accordance with the statutory provisions governing TCRS, which are codified in Tennessee Code Annotated, Title 8, Chapters 34-37 as well as any other applicable laws and rules. The actuarial valuation calculation in item (1) of this Section A.2.b above shall be based on various amortization periods and other factors as determined by the Director of TCRS.
- c. Coverage Groups. For purposes of this Contract, the following shall each be deemed a separate coverage group:
 - (1) State and Higher Education employees hired prior to July 1, 2014;
 - (2) State and Higher Education employees hired after June 30, 2014;
 - (3) K-12 public school teachers hired before July 1, 2014;
 - (4) K-12 public schools teachers hired after June 30, 2014;

- (5) State judges and other officials hired before July 1, 2014;
 - (6) State judges and other officials hired after June 30, 2014;
 - (7) State public safety officers bridge benefit;
 - (8) Each political subdivision participating in TCRS. The Contractor acknowledges and understands that each political subdivision is valued separately and that each political subdivision may elect to participate in one of the following plans within TCRS and may, under the terms of the respective plan, change from such plan to one of the following plans on a prospective basis:
 - (i) TCRS Legacy Plan as defined and established in Tennessee Code Annotated, Title 8, Chapters 34 – 37;
 - (ii) Local Government Alternate Defined Benefit Plan as defined and established in Tennessee Code Annotated, Section 8-35-255;
 - (iii) Local Government Hybrid Plan as defined and established in Tennessee Code Annotated, Section 8-35-256; and
 - (iv) Hybrid Retirement Plan for State Employees and Teachers as defined and established in Tennessee Code Annotated, Title 8, Chapter 36, Part 9; and
 - (9) Such other groups as may be established from time to time.
- d. Contents of Actuarial Report. Each annual actuarial valuation report shall contain, at a minimum, the same information currently contained in the actuarial valuation report located at <https://treasury.tn.gov/Retirement/Boards-and-Governance/GASB-and-Actuarial-Information> and such other actuarial data as may then be required by GASB or the statutory provisions governing TCRS. In addition, and as part of such actuarial valuation, the Contractor shall prepare and deliver to the State a report that identifies the potential contribution rates for various unfunded accrued liability amortization periods for each participating political subdivision under both the frozen liability method and the entry age normal method. The specific amortization period for each individual political subdivision that is ultimately used shall be determined by the State. The report shall also identify the potential contribution rate for each political subdivision employer should such employer elect to adopt all or any of the following benefit improvements, if such improvements are authorized under the applicable plan adopted by the political subdivision pursuant to Section A.2.c(8) above:
- (1) Salary Indexing;
 - (2) Compound COLA;
 - (3) Five percent (5%) Benefit Improvement; and
 - (4) All other benefit improvements then available that have not been adopted by the respective political subdivision.

In performing each annual valuation required under this Section, the Contractor shall prepare detailed actuarial balance sheets for each of the political subdivision employers in TCRS. The actuarial balance sheets shall contain the actuarially determined contribution rate and components, summary of the actuarial present value of benefits, employees covered by benefit terms and the unfunded accrued liability tiers. The State will approve the format and contents of the actuarial balance sheets. The actuarial balance sheets shall be forwarded to the State in such electronic format as requested by the State.

- e. Reports of Actuarial Valuation Results. Prior to each annual actuarial valuation of TCRS, the Contractor and the State shall mutually establish a schedule of all the demographic data provided by TCRS to the Contractor to perform the actuarial valuation. By no later than thirty (30) calendar days after the State has submitted all such demographic data to the Contractor,

the Contractor shall deliver to the State a detailed hard copy draft of the preliminary results of the actuarial valuation and the preliminary actuarial valuation executive summary. The executive summary shall include the key results of the valuation. Within fifteen (15) calendar days of the State's acceptance of the preliminary reports, the Contractor shall deliver to the State as many hard copies of the final detailed results of the valuation and as many hard copies of the final valuation executive summary as may be requested by the State; provided that the requested number shall not exceed forty (40) copies each. In addition, the Contractor shall deliver the final actuarial valuation report and the final actuarial valuation executive summary to the State in such electronic format as shall be specified by the State. Notwithstanding Section D.14 below to the contrary, the State may, at its sole discretion, lengthen one or more of the time periods specified above. Any such election by the State must be in writing and shall not relieve the Contractor of its responsibility to provide the reports within the time periods specified above in any future year unless the State agrees to lengthen such period.

- f. Format for Employer Contribution Reporting. The Contractor shall report the appropriate employer contribution rate for each coverage group in such electronic format as requested by the State.

A.3. GASB and Financial Reporting Information for Participating Employers in TCRS and for the TCRS Pension Plans.

- a. GASB Information. With each annual TCRS actuarial valuation, the Contractor shall calculate pension expense, net pension liability, and other actuarial data as required under the then most current, applicable GASB statements. These calculations shall be for each coverage group as defined in Section A.2.c. above. In addition, the Contractor shall allocate the pension expense, net pension liability, and any other actuarial data for the cost sharing, multiple employer plans (specifically for both the state employees plan and K-12 teachers plan). This includes projecting benefit payments and comparing projections of the fiduciary net position to projected benefit payments and other schedules as required by GASB statements 67 and 68 or any updates to GASB standards as it relates to pension plans.
- b. Financial Reporting Information. The Contractor shall provide the pension information that is required to be presented in the financial statements, the disclosures to be made in financial reports, and any supplementary information as required in the then most current, applicable GASB Statements. The financial and GASB information provided shall contain, at a minimum, the information currently provided which can be located at <https://publicreports.treasury.tn.gov/>. Such information shall include, but shall not be limited to:
 - (1) Assumptions/inputs for determining total pension liability; and
 - (2) Ten-year schedules of changes in net pension liability, total pension liability, fiduciary net position, net pension liability, funded status, covered payroll, and net pension liability as a percentage of payroll.

A.4. TCRS Actuarial Experience Study.

- a. In General. The Contractor shall perform two (2) actuarial experience studies of TCRS. The first shall be as of June 30, 2024, and the other shall be as of June 30, 2028, or as of such different times as determined by the State. If the Contract Term is extended pursuant to Section B.2, the Contractor shall also perform an actuarial experience study of TCRS as of June 30, 2032. The studies shall involve an actuarial investigation into the tables and assumptions (demographic and economic) used in the operation of TCRS. The experience study reports shall contain, at a minimum, the information currently contained in the experience study report located at <https://treasury.tn.gov/Retirement/Boards-and-Governance/GASB-and-Actuarial-Information>. Considering the results of the investigations, the Contractor shall recommend for the TCRS Board of Trustees' approval such actuarial

assumptions and tables as are deemed necessary. The experience studies shall also include updated survivorship option factors, mortality tables, 25-year early retirement factors, Social Security Leveling factors, actuarial equivalent age 65 factors, annuity factors with and without cost-of-living adjustments, early retirement factors for the Hybrid Retirement Plan for State Employees and Teachers, 10-year converted refund factors, and any other factors necessary for the proper operation of TCRS. The State shall approve the format of the factors needed to administer the plan.

- b. Interim Actuarial Experience Study. At the State's request, an interim experience study may be conducted on certain demographic or economic assumptions. The cost to the State for completing any such study shall be based on the hourly rate detailed for "Other TCRS Actuarial Services" in Section C.3.b. below.
 - c. Reports of Experience Study Results. Prior to each actuarial experience study of TCRS, the Contractor and the State shall mutually establish a schedule of all the demographic data provided by TCRS to the Contractor to perform the study. By no later than five (5) months following the delivery of all such demographic data to the Contractor, the Contractor shall deliver to the State a detailed hard copy draft of the preliminary results of the experience study and the preliminary experience study executive summary. The executive summary shall include the key results of the study. Within fifteen (15) calendar days of the State's acceptance of the preliminary reports, the Contractor shall deliver to the State as many hard copies of the final actuarial experience study and as many hard copies of the final actuarial experience study executive summary as may be requested by the State; provided that the requested number shall not exceed forty (40) copies each. In addition, the Contractor shall deliver the final experience study report and the final executive summary to the State in such electronic format as shall be specified by the State. Notwithstanding Section D.14 below to the contrary, the State may, at its sole discretion, lengthen one or more of the time periods specified above. Any such election by the State must be in writing and shall not relieve the Contractor of its responsibility to provide the reports within the time periods specified above in any future year unless the State agrees to lengthen such period.
- A.5. Calculation of Initial TCRS Employer Contribution Rate. The Contractor shall be responsible for calculating the initial employer contribution rate for political subdivisions considering participation in TCRS. As a part of each calculation, a separate calculation shall be performed for each such political subdivision based on all of the following plans: (1) TCRS Legacy Plan, (2) Local Government Alternate Defined Benefit Plan, (3) Local Government Hybrid Plan, and (4) the Hybrid Retirement Plan for State Employees and Teachers, which shall include for such Plan the cost controls and unfunded liability controls described in Tennessee Code Annotated, Section 8-36-922. The calculations shall include up to two (2) prior service options as may be selected by the individual political subdivision. The State shall approve the content and format of the report for the calculation of the initial TCRS employer contribution rate.
- A.6. Calculation of Subsequent TCRS Prior Service Options. The Contractor shall be responsible for the calculation of the cost for subsequent prior service options desired by political subdivisions participating in TCRS.
- A.7. Calculation of Cost to Adopt TCRS Benefit Improvements. The Contractor shall be responsible for the calculation of the cost for adopting plan provisions (benefit improvements) desired by a political subdivision participating in TCRS.
- A.8. Calculation of Excess Benefits. The Contractor shall be responsible for identifying TCRS members whose TCRS benefits are in excess of Internal Revenue Code ("IRS") limits. On an annual basis, the Contractor shall determine whether any TCRS members have benefits that have exceeded IRS limits by August 1. The Contractor shall also advise the State relative to the most appropriate method in disbursing excess benefits from the State's Qualified Excess Benefit Arrangement or Benefit Replacement Plan.

- A.9. Actuarial Audits of Actuarial Data Produced by the Contractor. At no additional cost to the State and at the State's request, the Contractor shall perform all necessary functions and provide all necessary data in cooperation with an independent actuarial audit of the actuarial valuation, the actuarial experience study, and other actuarial reports that are produced by the Contractor hereunder relative to TCRS.
- A.10. Financial and Compliance Audits. At no additional cost to the State, the Contractor shall perform all necessary functions and provide all necessary data in cooperation with an independent financial and compliance audit of the actuarial information for the TCRS financial statements and the financial statements of participating TCRS employers.
- A.11. Sensitivity and Stress Test Analyses. The Contractor shall perform and report on sensitivity and stress testing on the TCRS annually. The analysis and reporting shall include projections of benefit levels, pension costs, liabilities, and debt reduction under various economic and investment scenarios. The sensitivity and stress test analyses shall include changes in the inflation rate, discount rate, investment rate of return, cost of living adjustments, contribution rates, increased longevity, and additional periodic funding.
- A.12. Other TCRS Actuarial Services. At the State's request, the Contractor shall perform the following additional actuarial services as needed for the proper administration and operation of TCRS:
- a. Changes in benefit or funding provisions of the plan;
 - b. Reviews of proposed legislation that impacts TCRS. The Contractor acknowledges and agrees that said reviews are time sensitive and that the Contractor shall deliver its completed review to the State within five (5) business days of receipt the State's request for the review along with any necessary data for completing the review. Said time period may be shortened or lengthened by mutual agreement of the Parties;
 - c. Reviews of the various administrative factors used by TCRS and proposing any changes, if needed, to such factors. The results of any such reviews and proposed changes shall be delivered to the State in such electronic format as shall be specified by the State; and
 - d. Any other actuarial services that is necessary to provide for the proper operation and administration of TCRS.
- A.13. Meetings with State. During the term of this Contract and at no additional cost to the State, the Contractor shall be available to attend up to four (4) meetings each year with appropriate State personnel, committees, boards and commissions at the State's facilities in Nashville to present or discuss the results of the actuarial valuations, experience studies, and such other matters in relation thereto.
- A.14. Reliance on TCRS Director. For instructions relative to the services to be provided hereunder, the Contractor may rely upon instructions received from the Director of TCRS, or persons authorized by the Director to act for TCRS.
- A.15. Statutes Incorporated by Reference. The Contractor shall comply with all state and federal laws pertaining to TCRS, as may be amended from time to time, and all such laws are incorporated herein by reference.
- 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 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 termination of employment, extended illness, or death. In such event, the State reserves the right to approve the candidates.

- A.17. Representations and Warranties. The Contractor represents and warrants that (1) the primary actuary that will perform the work under this Contract will be a Fellow of the Society of Actuaries and an enrolled actuary; (2) it is duly authorized to execute and deliver this Contract, and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance; (3) the person signing this Contract on its behalf is duly authorized to do so on its behalf; (4) it has obtained all authorizations of any governmental body required in connection with this Contract and the transactions hereunder and such authorizations are in full force and effect; and (5) the execution, delivery and performance of this Contract will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected.

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.

- A.18. Data Ownership; State Data; and Storage. 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 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. 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. 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.
- A.19. No Services or State Data Outside of the United States. The Contractor shall not perform, nor allow any of its agents or subcontractors to perform, services under this Contract from outside of the United States without the State's prior written consent. Additionally, the Contractor shall not move or transmit any State Data outside of the United States, store any State Data outside of the United States, or permit access to any State Data from locations outside the United States (including the ability to view information from outside the United States), without the State's prior written consent, including backup data. The Contractor's personnel located in the United States must perform all processing of State Data. If the State consents, any move or access must be limited to the State Data specified in the State's consent, and the Contractor's obligations relating to State Data continue to apply in all other cases. Any breach of this provision constitutes a non-curable, material breach of this Contract that will entitle the State to immediately terminate this

Contract pursuant to D.6. below. All references in this section to the "United States" mean the fifty states and does not include any territorial possessions of the United States.

- A.20. Cyber Incidents or Breaches. The Contractor shall notify the State immediately, but no later than twenty-four (24) hours of the Contractor becoming aware of a suspected or confirmed instance of 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"). Immediately thereafter, the Contractor shall provide 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 responding, containing, or remediating 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 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 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.

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 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 State determines in its sole discretion that a Security Incident by the Contractor is significant enough to warrant such measures. The Contractor shall also reimburse State for all other reasonable costs, expenses, damages, and other losses resulting from any Security Incident involving State Data.

Upon written or oral notice by the State to do so, 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 identity 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.

- A.21. Transfer of Contractor's Obligations.

- a. The Contractor shall as soon as reasonably practicable, and in accordance with any third-party confidentiality obligations, contractual limitation, and/or applicable law, notify the State in writing of a merger, acquisition or sale of its business operation, or the part of its business operation that provides services under this Contract, or that this Contract will be sold to or assumed by another entity. The entity that is proposed to assume the

Contractor's duties under this Contract, whether through merger, acquisition, sale, or other similar transaction, will be hereinafter described as the "New Entity."

- b. The Contractor (or, if the Contractor no longer exists as a legal entity, the New Entity) will provide to the State within a reasonable time, information that the State may require about the merger, acquisition, or sale, which may include, but not be limited to, the following:
- (1) the date and terms of the merger, acquisition, or sale, including specifically, but not limited to, adequate documentation of the financial solvency and adequate capitalization of the proposed New Entity;
 - (2) evidence of financial solvency and adequate capitalization of the proposed New Entity which may include, but not be limited to, the following:
 - (i) Debt;
 - (ii) Assets;
 - (iii) Liabilities;
 - (iv) Cash flow;
 - (v) Percentage of the total revenues of the company that are represented by this Contract;
 - (vi) The most recent annual financial reports; or
 - (vii) The most recent annual financial reports filed with government agencies, if applicable;
 - (3) a complete description of the relationship of any New Entity to any parent company or subsidiary or division resulting from the merger, acquisition or sale of the original Contractor's business or the part of the original Contractor's business that provides services under this Contract or from assumption by, or sale to, another entity of the contract itself, including, but not limited to:
 - (i) the names and positions of corporate or company officers, project managers, other Contractor management staff with responsibilities under the Contract, and numbers and the type of technical or other personnel who will be responsible for fulfilling the obligations of the Contract, and any subcontracts that will be used to provide any personal or other services under the Contract by the New Entity;
 - (ii) an organizational chart clearly describing the organizational structure of the New Entity, parent company, subsidiary, division or other unit of the entity or parent company with which it has merged or by which it, or the Contract, has been acquired; and
 - (iii) such additional evidence of financial solvency, adequate capitalization, and information regarding corporate organizational and personnel assigned to the Contract as the State determines is necessary to evaluate the status of the proposed or consummated merger, acquisition or sale.
- c. The original Contractor shall immediately notify the State in writing in the event of a change in its legal name and/or Federal Employer Identification Number (FEIN). The Contractor shall comply with State requests for copies of any documents that have been filed with state corporate records officials or other officials in the state of its incorporation that verify the name change and a narrative description of the reasons for the name change. If a New Entity has succeeded to the interest of the original Contractor, it shall immediately provide the State written notification of its Federal Employer Identification Number (FEIN), its complete corporate name, State of incorporation, and other documentation required to effectuate the transfer.

- (d) Notwithstanding any other provisions of this Contract to the contrary, the State may immediately terminate this Contract in whole or in stages if it determines that the New Entity:
 - (1) has been debarred from State or Federal contracting in the past five years; or
 - (2) has had a contract terminated for cause by the State of Tennessee within the past five years.

The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor or New Entity for compensation for any service which has not been rendered. Upon such termination, the Contractor or New Entity shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- (e) The New Entity shall provide to the State within ten (10) Business Days of the State's request, a notarized statement signed by an individual authorized to bind the New Entity certifying that all liabilities and obligations incurred by the former Contractor are assumed by the New Entity.
- (f) If the New Entity owes money to the State of Tennessee, it acknowledges that Tennessee Code Annotated Section 9-4-604 requires repayment of these funds and will enter into a legally binding agreement for repayment.

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 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.

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.

A.23. Applicable Gifts and Solicitations Policy. The Contractor shall not offer to give, or give, any gift to any employee of the State or to any member of a Board, Commission or Committee administratively attached to the State that would violate the State's Gifts and Solicitations Policy, included as Contract Attachment 1 to this Contract.

B. TERM OF CONTRACT:

- B.1. Term. This Contract shall be effective for the period beginning on July 1, 2024 (“Effective Date”) and ending on June 30, 2029 (“Term”). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.
- B.2. Term Extension. The State may extend the Term an additional period of time, not to exceed sixty (60) months beyond the expiration date of this Contract, under the same terms and conditions, at the State’s sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of one hundred twenty (120) months.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed [WRITTEN DOLLAR AMOUNT (\$NUMBER)] (“Maximum Liability”). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
- a. The Contractor’s compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
 - b. The Contractor shall be compensated based upon the following payment methodology:

SERVICE DESCRIPTION	Amount (per compensable increment)									
	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)	July 1, 2030 — June 30, 2031 (If Term extended pursuant to Section B.2)	July 1, 2031 — June 30, 2032 (If Term extended pursuant to Section B.2)	July 1, 2032 — June 30, 2033 (If Term extended pursuant to Section B.2)	July 1, 2033 — June 30, 2034 (If Term extended pursuant to Section B.2)
TCRS Annual Actuarial Valuations as described in Section A.2, and the GASB-related services described in Section A.3.	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)
Calculation of Excess Benefits described in Section A.8.	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)
TCRS Actuarial Experience Study as described in Sections A.4.a. and A.4.c.	\$ _____ (flat fee)	N/A	N/A	N/A	\$ _____ (flat fee)	N/A	N/A	N/A	\$ _____ (flat fee)	N/A
Calculation of Initial TCRS Employer Contribution Rate as described in Section A.5 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

Calculation of Initial TCRS Employer Contribution Rate as described in Section A.5 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
Calculation of Initial TCRS Employer Contribution Rate as described in Section A.5 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
Calculation of Subsequent TCRS Prior Service Options as described in Section A.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
Calculation of Subsequent TCRS Prior Service Options as described in Section A.6 for each additional	\$ _____ 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

employee included in the study that exceeds 100										
Calculation of Cost to Adopt TCRS Benefit Improvements as described in Section A.7.	\$ _____ 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
Sensitivity and Stress Test Analyses as described in Section A.11	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)	\$ _____ (flat fee)
Other TCRS Actuarial Services as described in Sections A.4.b. and A.12	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour	\$ _____ per hour

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

Accounts Payable Section
Division of Administrative Services
Tennessee Treasury Department
14th Floor, Andrew Jackson State Office Building
502 Deaderick Street
Nashville, Tennessee 37243

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
- (1) Invoice number (assigned by the Contractor);
 - (2) Invoice date;
 - (3) Contract number (assigned by the State);
 - (4) Customer account name: Tennessee Treasury Department, Tennessee Consolidated Retirement System;
 - (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
 - (6) Contractor name;
 - (7) Contractor Tennessee Edison registration ID number;
 - (8) Contractor contact for invoice questions (name, phone, or email);
 - (9) Contractor remittance address;
 - (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
 - (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
 - (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
 - (13) Amount due for each compensable unit of good or service; and
 - (14) Total amount due for the invoice period.
- b. Contractor's invoices shall:
- (1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
 - (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
 - (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
 - (4) Include shipping or delivery charges only as authorized in this Contract.
- c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.
- C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as

acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.

- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.
- C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.
- C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.
- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
 - b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

D. MANDATORY TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
- D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Jamie Wayman, Director
Tennessee Consolidated Retirement System
15th Floor, Andrew Jackson State Office Building
502 Deaderick Street
Nashville, Tennessee 37243
jamie.wayman@tn.gov
Telephone # 615-253-3847

The Contractor:

[CONTRACTOR CONTACT NAME & TITLE]
[CONTRACTOR NAME]

[ADDRESS]
[EMAIL ADDRESS]
Telephone # [NUMBER]

All instructions, notices, consents, demands, or other communications shall be considered effective upon receipt or recipient confirmation as may be required.

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.
- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall provide written notice to Contractor specifying the Breach Condition. If within thirty (30) days of notice, the Contractor has not cured the Breach Condition, the State may terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor and the State may seek other remedies allowed at law or in equity for breach of this Contract.
- D.7. Assignment and Subcontracting. 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. 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.
- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of

Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Contract Attachment 2, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.
 - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
 - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless from any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. 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, 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.
- D.19. Hold Harmless. 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 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.

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.

- D.20. HIPAA Compliance. 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.
- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
 - 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.
 - 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.
 - d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.
- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System (“TCRS”), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of “employee/employer” and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.
- D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;

- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded, disqualified, or presently fall under any of the prohibitions of sections a-d.

- D.24. Force Majeure. “Force Majeure Event” means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor’s representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor’s performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees for the affected obligations until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.
- D.25. State and Federal Compliance. The Contractor shall comply with all State and federal laws and regulations applicable to Contractor in the Contractor’s performance of this Contract.
- D.26. Governing Law. 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. 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.
- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties’

agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.

- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
 - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes Contract Attachments 1 and 2;
 - c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
 - e. any technical specifications provided to proposers during the procurement process to award this Contract; and
 - f. the Contractor's response seeking this Contract.
- D.31. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, *et seq.*, addressing contracting with persons as defined at Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
- D.32. Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. 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 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.

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.

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. 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. 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.

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, 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.

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.

a. Commercial General Liability ("CGL") Insurance

- 1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing 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).

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.

b. Workers' Compensation and Employer Liability Insurance

- 1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:
 - i. Workers' compensation and employer liability insurance in the amounts required by appropriate state statutes.
- 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:
 - 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.

c. Automobile Liability Insurance

- 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).
- 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.

d. Professional Liability Insurance

- 1) Professional liability insurance shall be written on an occurrence basis or on a claims-made basis. If this coverage is written on a claims-made basis, then:
 - 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) 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) full years from the date of the final Contract payment.
- 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

- 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.

e. Technology Professional Liability (Errors & Omissions)/Cyber Liability Insurance

- 1) The Contractor shall maintain technology professional liability (errors & omissions)/cyber liability 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.
- 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.

f. Crime Insurance

- 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.

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.

- D.33. Major Procurement Contract Sales and Use Tax. Pursuant to Tenn. Code Ann. § 4-39-102 and to the extent applicable, the Contractor and the Contractor's subcontractors shall remit sales and use taxes on the sales of goods or services that are made by the Contractor or the Contractor's subcontractors and that are subject to tax.
- D.34. Confidentiality of Records. 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." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the

confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

- D.35. Boycott of Israel. The Contractor certifies that it is not currently engaged in, and covenants that it will not, for the duration of the Contract, engage in a Boycott of Israel, as that term is defined in Tenn. Code Ann. § 12-4-119.
- D.36. Prohibited Contract Terms. The prohibited contract terms and conditions enumerated in Pub. Ch. 113, § 5, shall be a material provision of this Contract. The Contractor acknowledges, understands, and agrees that the inclusion of a term or condition prohibited by Pub. Ch. 113, § 5, shall be null and void and the Contract shall be enforceable as if the Contract did not contain such term or condition.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
- E.2. Contractor Hosted Services Confidential Data, Audit, and Other Requirements.
- 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:
- (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 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 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 audit report within 30 days from when the CPA firm provides the audit report to the Contractor or Subcontractor. 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.

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.

No additional funding shall be allocated for these certifications, authorizations, or audits as these are included in the Maximum Liability of this Contract.

- (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.
- (5) Upon State request, the Contractor shall provide a copy of all Confidential State Data it holds. The Contractor shall provide such data on media and in a format determined by the State.
- (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.

b. Minimum Requirements

- (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 amended periodically. 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>.
- (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.
- (3) If the Application requires middleware or database software, Contractor shall maintain middleware and database 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.

c. Comptroller Audit Requirements

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. 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.

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.

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 conducting the information technology controls audit.

- 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:
- (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:
 - 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
 - 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
 - (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 Recovery Capabilities meet the RPO and RTO requirements.

- E.3. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's Response to RFP # 30901-56323 (Attachment 6.2, Section B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a monthly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, service-disabled veterans, and persons with disabilities. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in the TN Diversity Software available online at:

<https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9810>.

- E.4. Personally Identifiable Information. 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 ("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: (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 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 electronic copy in accordance with its records retention policy.

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 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, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of 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.

IN WITNESS WHEREOF,

[CONTRACTOR LEGAL ENTITY NAME]:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TREASURY DEPARTMENT:

DAVID H. LILLARD, JR., STATE TREASURER

DATE

TREASURY DEPARTMENT GIFTS AND SOLICITATION POLICY

No employee or any member of a Board, Commission or Committee administratively attached to the Department shall solicit, accept or agree to accept, directly or indirectly, on behalf themselves or their immediate family, any gift in violation of state law including, but not limited to, any gratuity, service, favor, entertainment, lodging, transportation, loan, loan guarantee rebate, money, any promise, obligation or contract for future awards or compensation or any other thing of monetary value, from any **individual** or **entity** that:

- Has, or is seeking to obtain, contractual or other business or financial relations with the Treasury Department or the Tennessee Consolidated Retirement System;
- Conducts operations or activities that are regulated by the Treasury Department;
- May bid on future procurement from the Department or a Board, Commission, or Committee administratively attached to the Department based on the employee's reasonable belief that the person or entity intends to submit a bid; or
- Has an interest that may be substantially affected by the performance or nonperformance of the employee's official duties.

Generally, gifts from a lobbyist or an employer of a lobbyist are prohibited; however, the following are exceptions to the general gift prohibition:

- A gift given for nonbusiness purpose and motivated by a close personal friendship and not by the position of the employee, and specifically authorized and defined by the Ethics Commission;
- Informational materials in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication;
- Sample merchandise, promotional items, and appreciation tokens if they are routinely given to customers, suppliers or potential customers or suppliers in the ordinary course of business;
- Unsolicited tokens or awards of appreciation, honorary degrees, or bona fide awards in recognition of public service in the form of a plaque, trophy, desk item, wall memento, and similar items, provided that any such item shall not be in a form which can readily be converted to cash;
- Benefits resulting from business, employment, or other outside activities of the employee or the employee's immediate family, if such benefits are customarily provided to others in similar circumstances and are not enhanced due to the status of the employee;
- Opportunities and benefits made available to all members of an appropriate class of the general public, including but not limited to, discounts afforded to the general public or prizes and awards given out in public contests;
- Expenses of out-of-state travel, if such expenses are paid for or reimbursed by a governmental entity or an established and recognized organization of elected or appointed state government officials;
- Food, refreshments, amenities, goody bags, entertainment, or beverages provided as part of a meal, reception or similar event including tradeshow and professional meetings; and
- Food, refreshments, meals, foodstuffs, entertainment, beverages that are provided in connection with the following: an event where the employee is a speaker or part of a panel discussion at a scheduled meeting of an established or recognized membership organization which regularly meets at in-state events in which invitations are extended to legislative or executive branch employees. The value of the items shall not exceed fifty dollars (\$50.00) per person, per day.*

* The amount may be increased to reflect the percentage of change in the average consumer price index. The Ethics Commission publishes the increased amount on its website.

For other gifts offered which are not included in the exceptions above, the employee must obtain the written approval of the Assistant Treasurer for Legal, Compliance, and Audit.

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
EDISON VENDOR IDENTIFICATION NUMBER:	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM PROGRAM DESCRIPTION

TCRS is a Public Employee Retirement System providing defined benefit pension plans for four large groups of public employees: K-12 public school teachers, higher education employees, State employees, and local government (also called political subdivision) employees. Local governments voluntarily decide whether to be a participating employer in TCRS.

With over \$64 billion in assets TCRS is the 25th largest pension plan in the United States. It serves over 228,000 active members and 156,000 retirees. The annual retired payroll exceeds \$3.1 billion.

TCRS was created in 1972 by merging seven separately administered retirement systems into one system. The TCRS system is governed by statute, which sets out the rights and benefits provided by the system. Rights to the benefits of the closed plans are preserved. Generally, one receives the better of the prior plan or TCRS Group I.

There are two plans for state employees/higher education employees and K-12 teachers depending on the members hire date. State employees/higher education employees and K-12 teachers hired prior to July 1, 2014 participate in the legacy defined benefit plan as long as the member does not lose membership. State employees/higher education employees and K-12 teachers hired after June 30, 2014 or those that lost membership in the legacy plan, participate in the hybrid pension plan, a combination of a defined benefit plan and defined contribution plan. Local governments have the option of also participating in the new plan. For accounting and actuarial purposes, the funding and service are separated between the plans. The hybrid plan contains cost and unfunded liability controls that are initiated based on the results of the actuarial study. A summary of the hybrid pension plan can be found at

<https://treasury.tn.gov/Portals/0/Documents/Retirement/Forms%20and%20Guides/Active%20Members/HybridMemberGuide.pdf>.

Most public employees must become a member of TCRS as a condition of employment. There are a few categories of employment where membership is optional.

The State of Tennessee, Local Boards of Education, and Higher Education Institutions are mandated participating employers in TCRS. Local governments, also called political subdivisions, may join TCRS voluntarily. Such entities must apply to become a participating employer in TCRS. Separate accounting and actuarial records are maintained for each participating employer. Each employer has an accumulated asset balance in TCRS. No benefit can be paid to an employer's retirees unless there are sufficient assets available to pay the benefit. Valuations and contribution reports are determined for at least the State employee group, K-12 teachers, judicial group and certain closed systems. Public safety members subject to mandatory retirement have a separate valuation. Moreover, a separate valuation is required for the hybrid plan that was enacted in 2013 for each of the following groups; State employees hired after June 30, 2014, teachers hired after June 30, 2014, judicial employees hired after June 30, 2014. Furthermore, a separate valuation is required for each participation local government opting to utilize this plan.

Local governments may select from a variety of benefits that they will provide to their employees. Each local government will be different. Refer to Appendix 3 of this RFP Attachment 6.7 for a description of the plans from which a local government can choose to provide to their employees. There are approximately 600 local government employers participating in TCRS. Appendix 1 to this RFP Attachment 6.7 provides a list of local government employers participating in TCRS. Some of the options available to local governments include the annual COLA for retirees, military credit, early retirement, and non-contributory status for employees. There are approximately 60 options available to employers which can make the actuarial process very complex. Some options are no longer applicable to new employers entering TCRS or not applicable to all of the plan designs from which an employer may choose. Appendix 2 to this RFP Attachment 6.7 lists all the options that an employer can select for each of the plan designs and a list of all the options available to political subdivision employers.

The retirement system is financed on an actuarial basis. There are three sources of financing: employee contributions (some employees are noncontributory), employer contributions, and investment income.

The retirement annuity is calculated using a mathematical formula with inputs to the formula including: years of service, Average Final Compensation-AFC (highest 60 consecutive months of salary), age of the member, and age of the beneficiary. Some formulas require other more complex inputs. The formula may have minimum and maximum limits. There are many different benefit classifications with each having multiple formulas. At retirement, a member may choose from a variety of joint and survivorship options.

The service earned in TCRS is portable. In other words, the total service rendered through all covered employers by TCRS will be accumulated for purposes of retirement eligibility and benefit calculation. This requires tracking of all service credit by each participating employer in TCRS. Pension cost is allocated to employers based on service credit.

TCRS is a comprehensive benefit program providing service retirement, reduced early benefits, accidental disability, ordinary disability, and death benefits. Projections of future service may be made to calculate benefits and certain reductions and limitations may apply. Disability retirees may be subject to post-retirement re-evaluation and other sources of income may be independently verified through comparisons with other external data sources. Some members may elect to take a lump sum refund of their individual account balance rather than one of the annuity benefits. TCRS provides bridge benefits to public safety officers at age 55 until they are eligible for Social Security (currently at age 62). Officers are mandatorily retired at age 60. However, if less than 50% of an officer's duties are involved in day-to-day law enforcement, then the officer may, at the officer's option, continue working until eligible for Social Security, which is currently age 62.

Data relative to active and inactive members, retired members, employers, and asset balances are accumulated and provided to the system's actuary every other year for purposes of performing an actuarial valuation of the retirement plan. Every four years an actuarial experience study is performed. Once every ten years an actuarial audit of the system is performed.

The Division of State Audit under the Comptroller of the Treasury performs an annual independent audit of the retirement plan. Audits include both financial and performance audits.

Additional information on TCRS can be found at <http://tcrs.tn.gov>. The most recent valuation and experience study are also on the website at <https://treasury.tn.gov/Retirement/Boards-and-Governance/GASB-and-Actuarial-Information>.

TCRS' Annual Report can be found at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies> by clicking on 2022 Annual TCRS Report.

Listed below are the names of the local government entities supported by the TCRS. In addition to the Political Subdivision Participants, there are 143 K-12 School Systems, 51 schools under the University of Tennessee and Tennessee Board of Regents systems, and approximately 50 State agencies.

Political Subdivisions Participants

Cities

Adams	Collegedale	Galloway	Lawrenceburg	Newport	South Pittsburg
Alamo	Collierville	Gatlinburg	Lebanon	Niota	Sparta
Alcoa	Collinwood	Gleason	Lenoir City	Nolensville	Spencer
Algood	Cookeville	Goodlettsville	Linden	Norris	Spring City
Ashland City	Coopertown	Gordonsville	Livingston	Oak Hill	Spring Hill
Atoka	Cornersville	Grand Junction	Lobelville	Oak Ridge	Springfield
Atwood	Covington	Greenbrier	Lookout Mountain	Oakland	St. Joseph
Baileyton	Cowan	Greeneville	Loretto	Obion	Surgoinsville
Baxter	Crossville	Greenfield	Loudon	Oliver Springs	Sweetwater
Bean Station	Cumberland	Halls	Luttrell	Paris	Tazewell
Belle Meade	Dandridge	Harriman	Madisonville	Parsons	Tellico Plains
Bells	Dayton	Harrogate	Manchester	Pegram	Tiptonville
Benton	Decatur	Henderson	Martin	Pikeville	Townsend
Big Sandy	Decaturville	Hendersonville	Maryville	Pittman Center	Tracy City
Bluff City	Decherd	Hohenwald	Mauzy City	Plainview	Trenton
Bolivar	Dickson	Humboldt	Maynardville	Pleasant Hill	Tullahoma
Bradford	Dover	Huntington	McEwen	Pleasant View	Tusculum
Brentwood	Ducktown	Huntland	McKenzie	Portland	Unicoi
Brighton	Dunlap	Huntsville	McMinnville	Puryear	Union City
Bristol	Dyer	Jacksboro	Medina	Red Bank	Vanleer
Brownsville	Eagleville	Jackson	Middleton	Red Boiling Springs	Vonore
Bruceston	East Ridge	Jamestown	Milan	Ripley	Walden
Byrdstown	Elizabethton	Jasper	Millersville	Rockwood	Wartburg
Camden	Elkton	Jefferson City	Millington	Rocky Top	Watauga
Carthage	Erin	Johnson City	Monterey	Rutherford	Waverly
Caryville	Erwin	Jonesborough	Morrison	Rutledge	Waynesboro
Celina	Estill Springs	Kenton	Morristown	Savannah	Westmoreland
Centerville	Etowah	Kimball	Moscow	Scotts Hill	White Bluff
Chapel Hill	Fairview	Kingsport	Mosheim	Selmer	White House
Charleston	Fayetteville	Kingston	Mountain City	Sevierville	White Pine
Charlotte	Forest Hills	Kingston Springs	Mt. Carmel	Sharon	Whiteville
Church Hill	Franklin	Lafayette	Mt. Juliet	Signal Mountain	Whitwell
Clarksville	Friendship	Lafollette	Munford	Soddy Daisy	Woodbury
Cleveland	Friendsville	Lakeland	New Johnsonville	Somerville	
Clifton	Gainesboro	Lakesite	New Market	South Carthage	
Clinton	Gallatin	Lakewood	New Tazewell	South Fulton	

Counties

Anderson	Franklin	Lincoln	Rutherford
Bedford	Gibson	Lewis	Robertson
Benton	Giles	Loudon	Scott
Bledsoe	Grainger	Macon	Sequatchie
Blount	Greene	Madison	Sevier
Bradley	Grundy	Marion	Shelby
Campbell	Hamblen	Marshall	Smith

Cannon	Hamilton	Maury	Stewart
Carroll	Hardeman	McMinn	Sullivan
Carter	Hardin	McNairy	Sumner
Cheatham	Hawkins	Meigs	Tipton
Chester	Haywood	Monroe	Trousdale
Claiborne	Henderson	Montgomery	Unicoi
Clay	Henry	Moore	Union
Cocke	Hickman	Morgan	Van Buren
Coffee	Houston	Obion	Warren
Crockett	Humphreys	Overton	Washington
Cumberland	Jackson	Perry	Wayne
Decatur	Jefferson	Pickett	Weakley
DeKalb	Johnson	Polk	White
Dickson	Lake	Putnam	Williamson
Fayette	Lauderdale	Rhea	Wilson
Fentress	Lawrence	Roane	

Housing Authorities

Bristol	Lawrenceburg	Rockwood
Clinton	Lenoir City	Rogersville
Cookeville	Maryville	South Pittsburg
Hartsville	Memphis	Sweetwater
Hohenwald	Morristown	

Joint Ventures

Argie Cooper Public Library	Fayetteville/Lincoln Co Public Library	Smyrna/Rutherford Co. Airport Auth.
Bradley-Cleveland Civil Defense	Gorham/MacBane Public Library	Tellico Area Svc. System
Bradley-Cleveland Comm. Svc.	Jackson/Madison Co. Library	Tri-City Airport Comm.
Brownsville-Haywood Co. Library	Johnson City/Washington Co. EMS	Tri-County Vocational School
Bolivar-Hardeman Co. Library	Kinser Park	W.G. Rhea Public Library
Clarksville/Montgomery Co. Library	Lawrence County Library	Washington Co/Johnson City
Clarksville/Montgomery Co. Planning	Linebaugh Public Library	Animal Control Center
Cleveland/Bradley Co E-911	Morristown/Hamblen Co Landfill	Wilson Emergency Management
Edward Gauche Fisher Public Library	Sevier Solid Waste	Agency

Miscellaneous Agencies

Anderson Co. Econ Dev Association	McMinn Co Econ Develop District	Tennessee Co Comm Association
Anderson Co. Water Authority	Mid-Cumberland CSA	Tennessee Co Hwy Officials
Beech River Watershed	Millington Airport Authority	Association
	IDB of the City of Millington	Tennessee Co Services Assoc
Bi County Solid Waste Mgmt	Networks Sullivan Partnership	Tennessee Duck River Develop
Blount Co Fire Protection District	Northeast CSA	Agency
	Northwest Tennessee CSA	Tennessee Education Association
Books from Birth	Obion County Library	Tennessee Elk River Develop
Carter County Tomorrow	Putnam County Library	Agency
Cocke County Partnership, Inc		Tennessee Historical Society
		Tennessee Municipal Bond Fund

County Officials Assoc of Tennessee	Sequatchie Valley Planning and Develop District	Tennessee Municipal League
Delta Human Resource Agency	Sevier Co Econ Develop Council	Tennessee Municipal League Risk Management Pool
Douglas Cherokee Economic Auth	Shelby County CSA	Tennessee Org. of School Superintendents
East Tennessee CSA	South Central HRA	Tennessee School Board Assoc
Fayetteville-Lincoln Co IDB	South Central Tennessee Develop District	Tennessee Secondary School Athletic Association
First Tennessee Develop District	South Central Tennessee Workforce Board	Tennessee Sheriffs Association
First Tennessee HRA	Southeast Tennessee CSA	Tennessee State Employees Association
Four Lake Regional IDA	Southeast Tennessee Develop District	Tennessee Veterans Home Board
Greater Nashville Regional Council	Southeast Tennessee HRA	Upper Cumberland CSA
Hamilton Co CSA	Southwest Tennessee CSA	Upper Cumberland HRA
Joint Economic and Development Board of Wilson County	Southwest Tennessee Develop District	Upper Cumberland Regional Airport
Knox County CSA	Southwest Tennessee HRA	Upper East Tennessee HRA
Loudon Co Economic Dev Agency	Tennessee Assoc of Assessing Officers	Workforce Solutions
Marion County Library	Tennessee Assoc of County Mayors	
Maryville, Alcoa, Blount Co Parks & Rec	Tennessee Athletics Association	

Special School Districts

Arlington Community Schools	Gibson County School District	Tullahoma Board of Education
Bartlett City Board of Education	Hollow Rock-Bruceton	Oak Ridge Board of Education
Bradford	Huntingdon	Oneida
Clinch Powell Education Coop.	Knox County Board of Education	Paris
Coffee County Board of Education	Lebanon	South Carroll Special School District
Collierville Schools Board of Education	Little Tenn. Valley Education Coop.	Trenton
Elizabethton Board of Education	McKenzie	Union City Board of Education
Franklin	Milan	West Carroll County
Germantown Board of Education	Millington City Board of Education	

Utility Districts

Alpha-Talbott	First Hawkins County	Old Gainesboro Road
Arthur Shawnee	First Tipton County	Old Hickory
Big Creek	Gladeville	Old Knoxville Utility District
Bloomingtondale	Glen Hills	Paris-Henry Utility District
Bondcroft	Greater Dickson Gas Authority	Persia
Bristol Electric System	Greeneville Light & Power	Plateau
Cagle Fredonia Utility District	Hampton South	Poplar Grove
Castalian Springs/Bethpage	Hardeman-Fayette County	Quebec-Walling
Chuckey Utility District	Harriman	Reelfoot Lake Regional
Citizen's Gas	Hendersonville	Riceville
Consolidate Utility District of Rutherford County	Hixson	River Road
Cookeville Boat Dock Road Utility District	Jackson County	Roane Mountain Utility District

County Wide	Johnson City Power Bd. LaGuardo Utility District	Russellville Whitesburg Utility District Savannah Valley Second South Cheatham Utility District Sevier County
Crab Orchard Cross Anchor Utility District Cumberland Utility District of Roane and Morgan Counties DeWhite Double Springs Dyersburg Suburban	Lake County Lakeview Lincoln Co. Board of Public Utilities Loudon Madison Suburban Utility District Middle Tennessee	Siam Smith Sneedville Soddy Daisy-Falling Water Sylvia-Tennessee City Pond Water South Elizabethton
East Fork East Montgomery	Municipal Electric New Market North Utility District of Decatur & Benton Counties	South Blount Utility District Weakley Co. Municipal Electric Webb Creek
East Side Elizabethton	Northeast Henry County	
Fall Creek Falls	Oak Ridge	West Overton
First Carter County	O'Connor Utility District	

911 Emergency Communication Districts

Anderson County	Grainger County	Monroe County
Bedford County	Greene County	Montgomery County
Benton County	Hamblen County	Obion County
Blount County	Hamilton County	Overton County
Brentwood	Hardeman County	Roane County
Campbell County	Hardin County	Robertson County
Cannon County	Hawkins County	Rutherford County
Carroll County	Henderson County	Scott County
Carter County	Humphreys County	Sequatchie County
Cheatham County	Jefferson County	Sevier County
Chester County	Johnson County	Shelby County
Claiborne County	Lauderdale County	Sullivan County
Cocke County	Lawrence County	Tipton County
Crockett County	Loudon County	Union County
Cumberland County	Macon County	Van Buren County
DeKalb County	Madison County	Warren County
Dickson County	Marshall County	Washington County
Fayette County	Maury County	Weakley County
Fentress County	McMinn County	White County
Gibson County	McNairy County	Wilson County

Superseded Systems

Enclosed are the systems that have been merged into the Tennessee Consolidated Retirement System:

Former Governors & Spouses Retirement System
Aged State Employees (pre-1945 service)
Aged Teachers (pre-1945 service)
Attorneys General Retirement System

County Officials Retirement System

TN State Retirement System

- Class A: covered by social security.

- Class B: opted out of social security.

Judges Retirement System

County Paid Judges Retirement System

State Teachers Retirement System

- Class A: covered by social security.

- Class B: opted out of social security.

Public Service Commissioners Retirement System

University of Tennessee Joint Contributory Retirement System

Political Subdivision Participation Options

Political subdivisions joining TCRS have four (4) plan designs from which to select: (1) Legacy TCRS defined benefit (DB) plan, (2) alternate DB plan, (3) Hybrid Plan without cost controls, and (4) State/Teacher Hybrid Plan (with cost controls). For each of the plans available there are certain optional features that the political subdivision can select.

- (1) Legacy TCRS DB Plan
 - Cost of Living Adjustments
 - Coverage of part-time employees
 - Mandatory retirement for public safety officers
 - Employee contributions (0%, 2.5%, 5.0%)
 - \$14 or \$20 minimum benefit for board members
- (2) Alternate DB Plan
 - Cost of Living Adjustments
 - Coverage of part-time employees
 - Mandatory retirement for public safety officers
 - Employee contributions (0%, 2.5%, 5.0%)
 - \$14 or \$20 minimum benefit for board members
- (3) Hybrid Plan without Cost Controls
 - Coverage of part-time employees
 - Mandatory retirement for public safety officers
 - Employee contributions (0%, 2.5%, 5.0%)
 - \$14 or \$20 minimum benefit for board members
- (4) State/Teacher Hybrid Plan (with cost controls)
 - Coverage of part-time employees
 - Mandatory retirement for public safety officers
 - \$14 or \$20 minimum benefit for board members

All Political Subdivision Options

Political subdivisions participating in TCRS have

- Exclude COLA
- Limit contributions
- Members after age 70
- Option 1 death benefit
- Military credit – months
- Probationary period – months
- Sick leave days
- Buy probationary period – months
- Non-contributory
- 25 year retirement
- Exclude COLA – future EE
- Withdrawal
- Bonus COLA
- Special group II retirement
- 20 year special group II
- Age 65 actuarial equivalent
- Part time
- 1984 military law
- Minimum benefit
- Refund special group II
- 1985 ad-hoc increase
- Provide COLA
- Periodic members
- 20 year group II percentage reduction
- Extended probationary
- 414(H) plan
- 1987 peace military law
- 1987 ad-hoc increase
- County official prior service
- Temporary disability
- Medigap insurance supplemental
- 3 Year Law Provision
- 3.6% indexing
- Special group II retirement age 55 w/ 25 Years
- Five year vesting
- Inactive death/disability
- Persian Gulf military
- City judge/attorney member
- Sheriff group I – group 2 transfer
- Political subdivision prior service
- 5% benefit improvement
- 1996 peacetime military
- 1997 Vietnam era
- Line of duty death benefit
- Appalachia education cooperative (PC191)
- Reinstate Disability
- Compound COLA
- Group II 30 year Retirement
- Mandatory retirement
- Supplemental bridge benefit
- Line of duty death 2001
- Member not on payroll at date of participation
- 2007 Ad Hoc Increase
- Mandatory Retirement 55/25 Bridge
- Discontinue Non-Contributory
- \$14 Minimum Benefit
- \$20 Minimum Benefit
- Vested Death Benefit – Spouse
- 2022 Expanded Military Service Armed Conflict

Listed below are the description of the plans from which a local government can choose to provide to their employees.

**Tennessee Consolidated Retirement System
Local Government Plan Options**

Original Defined Benefit Plan

Calculation includes a 1.50% multiplier.

Benefit Formula: Years of Service x AFC x 1.50% + 5% Benefit Improvement

Retirement Requirements:

Service Retirement: An unreduced benefit if the member is age 60 and vested or has thirty (30) years of service regardless of age.

Early Retirement: A reduced benefit if the member is age 55 and vested.

25-Year Early: A reduced benefit if the member is under the age of 55 and has at least 25 years of service.

Alternate Defined Benefit Plan

Calculation includes a 1.40% multiplier.

Benefit Formula: Years of Service x AFC x 1.40%.

Retirement Requirements:

Service Retirement: An unreduced benefit if the member is age 65 and vested or meets the "Rule of 90" (years of service plus age at retirement equal 90 or above).

Early Retirement: A reduced benefit if the member is age 60 and vested or meets the "Rule of 80" (years of service plus age at retirement equal 80 or above, but equal less than 90).

Local Government Hybrid Plan

Calculation includes a 1.00% multiplier.

Benefit Formula: Years of Service x AFC x 1.00%.

Retirement Requirements:

Service Retirement: An unreduced benefit if the member is age 65 and vested or meets the "Rule of 90" (years of service plus age at retirement equal 90 or above).

Early Retirement: A reduced benefit if the member is age 60 and vested, or meets the "Rule of 80" (years of service plus age at retirement equal 80 or above but equal less than 90).

Employee Contribution Funding Options

(Applicable to all plans listed above.)

Employer may elect to pay 0.0%, 2.5% or 5.0% of employee contributions.

State and Teacher Hybrid Plan (Optional for Local Governments)

Calculation includes a 1.00% multiplier.

Benefit Formula: Years of Service x AFC x 1.00%.

Retirement Requirements:

Service Retirement: An unreduced benefit if the member is age 65 and vested or meets the "Rule of 90" (years of service plus age at retirement equal 90 or above).

Early Retirement: A reduced benefit if the member is age 60 and vested or meets the "Rule of 80" (years of service plus age at retirement equal 80 or above but equal less than 90).

Contribution Rates: Employee Contribution Rate: 5.00%
Employer Contribution Rate: 4.00%

Unfunded Liability Controls:

If Defined Benefit component employer cost exceeds 4% of payroll or if the target unfunded liabilities are exceeded for the Defined Benefit component plan, the following adjustments will automatically occur in the following sequence:

- Utilize funds in the actuarial stabilization account.
- Reduce or suspend the maximum 3% annual COLA.
- Shift some or all of the Defined Contribution employer contribution to the Defined Benefit plan.
- Increase employee contribution to Defined Benefit plan by 1% of payroll.
- Reduce future service accrual below 1%.
- Freeze plan, no future accruals.

When employer cost is restored to 4% of payroll and unfunded liabilities do not exceed target maximum unfunded liabilities, then adjustments previously made are restored on a prospective basis.

EMPLOYER ASSETS AND PROVISIONS LAYOUT

RFP Attachment 6.8, **Employer Assets and Provisions Layout**, is published on the Internet at the below location along with this entire RFP:

<https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>

ACTIVE LIVES LAYOUT WITH LOGIC

RFP Attachment 6.9, **Active Lives Layout with Logic**, is published on the Internet at the below location along with this entire RFP:

<https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>

RETIRED LIVES LAYOUT WITH LOGIC

RFP Attachment 6.10, **Retired Lives Layout with Logic**, is published on the Internet at the below location along with this entire RFP:

<https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>

SAMPLE CALCULATION OF INITIAL TCRS EMPLOYER CONTRIBUTION RATE

RFP Attachment 6.11, **Sample Calculation of Initial TCRS Employer Contribution Rate**, is published on the Internet at the below location along with this entire RFP:

<https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>

SAMPLE CALCULATION OF COST TO ADOPT A TCRS BENEFIT IMPROVEMENT

RFP Attachment 6.12, **Sample Calculation of Cost to Adopt a TCRS Benefit Improvement**, is published on the Internet at the below location along with this entire RFP:

<https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>