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|  | **State of South Carolina**  **South Carolina Public Employee Benefit Authority**  **Request For Proposal** | Solicitation Number:  Date Issued:  Procurement Officer:  Phone:  E-Mail Address: | PEBA0222018  3/22/2018  David H. Quiat, CPPB  803.734.0602  [dquiat@peba.sc.gov](mailto:dquiat@peba.sc.gov) |

|  |
| --- |
| DESCRIPTION: **Data Conversion & Bridging Services** |

SUBMIT OFFER BY (Opening Date/Time):   **5/22/2018 3:00 PM**

|  |
| --- |
| *The Term "Offer" Means Your "Proposal". Your offer must be submitted in a sealed package. The Solicitation Number & Opening Date should appear on the package exterior. See the clause entitled "Submitting Your Offer or Modification."* |

SUBMIT YOUR SEALED OFFER TO EITHER OF THE FOLLOWING ADDRESSES:

|  |  |
| --- | --- |
| MAILING ADDRESS:  South Carolina Public Employee Benefit Authority  P.O. Box 11960  Columbia, S.C. 29211-1960  Attention: David H. Quiat | PHYSICAL ADDRESS:  South Carolina Public Employee Benefit Authority  202 Arbor Lake Drive  Columbia, S.C. 29223  Attention: David H. Quiat |

|  |  |
| --- | --- |
| AWARD & AMENDMENTS | Award will be posted on **6/29/2018.**  The award, this solicitation, any amendments, and any related notices will be posted at the following web address: <https://procurement.sc.gov/vendor/contract-opps/other-solicitations/peba> |

|  |  |  |
| --- | --- | --- |
| You must submit a signed copy of this form with Your Offer. By submitting a proposal, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of one hundred twenty (120) calendar days after the Opening Date.    (See the clause entitled "Signing Your Offer.") | | |
| NAME OF OFFEROR      (Full legal name of business submitting the offer) | | Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror. The entity named as the offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, i.e., a separate corporation, partnership, sole proprietorship, etc. |
| AUTHORIZED SIGNATURE    (Person must be authorized to submit binding offer to contract on behalf of Offeror.) | |  |
| TITLE    (Business title of person signing above) | | STATE VENDOR NO.    (Register to obtain S.C. Vendor No. at www.procurement.sc.gov) |
| PRINTED NAME    (Printed name of person signing above) | DATE SIGNED | STATE OF INCORPORATION    (If you are a corporation, identify the state of incorporation.) |

|  |
| --- |
| OFFEROR'S TYPE OF ENTITY:   (Check one)                                                                   (See "Signing Your Offer" provision.)      \_\_\_ Sole Proprietorship                                  \_\_\_ Partnership                                  \_\_\_ Other\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_      \_\_\_ Corporate entity (not tax-exempt)          \_\_\_ Corporation (tax-exempt)            \_\_\_ Government entity (federal, state, or local) |

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**Page Two**

**(Return Page Two with Your Offer)**

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

|  |  |
| --- | --- |
| PAYMENT ADDRESS (Address to which payments will be sent.)            \_\_\_\_Payment Address same as Home Office Address  \_\_\_\_Payment Address same as Notice Address   **(check only one)** | ORDER ADDRESS (Address to which purchase orders will be sent)            \_\_\_\_Order Address same as Home Office Address  \_\_\_\_Order Address same as Notice Address   **(check only one)** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ACKNOWLEDGMENT OF AMENDMENTS  Offerors acknowledges receipt of amendments by indicating amendment number and its date of issue. (See the clause entitled "Amendments to Solicitation") | | | | | | | |
| Amendment No. | Amendment Issue Date | Amendment No. | Amendment Issue Date | Amendment No. | Amendment Issue Date | Amendment No. | Amendment Issue Date |
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| DISCOUNT FOR PROMPT PAYMENT  (See the clause entitled "Discount for Prompt Payment") | 10 Calendar Days (%) | 20 Calendar Days (%) | 30 Calendar Days (%) | \_\_\_\_\_Calendar Days (%) |

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REQUEST FOR PROPOSAL (RFP)

SOLICITATION NUMBER PEBA0222018

**DATA CONVERSION & BRIDGING SERVICES**

**SCHEDULE OF KEY DATES IN THE PROPOSAL PROCESS**

**All dates subject to change**

|  |  |
| --- | --- |
| 1. Distribution of the Request for Proposal | 3/22/2018 |
| 2. Questions on the RFP | 4/5/2018 |
| 3. Pre-Proposal Conference | 4/18/2018 |
| 4. Final Deadline for Submission of Questions (3:00 p.m.) | 4/25/2018 |
| 5. State’s Written Responses to Questions submitted (tentative) | 5/3/2018 |
| 6. Submission and Opening of Proposals (3:00 p.m.) | 5/22/2018 |
| 7. Oral Presentations (tentative) | Week of 6/18/2018 |
| 8. Intent to Award Posting Date (tentative) | 6/29/2018 |
| 1. Intent to Award Becomes Official (tentative) | 7/10/2018 |
| 1. Contract Performance | 7/23/2018 |

**PART 1**

**INSTRUCTIONS TO OFFERORS-A. GENERAL INSTRUCTIONS**

**1.1** **DEFINITIONS, CAPITALIZATION, AND HEADINGS (FEB 2015)**:Clause headings used in this solicitation are for convenience only and shall not be used to construe meaning or intent. Even if not capitalized, the following definitions are applicable to all parts of the solicitation, unless expressly provided otherwise.

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

Business means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity.

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

Contract See the clause entitled “Contract Documents & Order of Precedence.”

Contract Modification means a written order signed by the Procurement Officer directing the Contractor to make changes which the clause of the contract titled “Changes,” authorizes the Procurement Officer to order without the consent of the Contractor.

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

Cover Page means the top page of the original solicitation on which the solicitation is identified by number.

Offerors are cautioned that Amendments may modify information provided on the Cover Page.

Offer means the proposal submitted in response to this solicitation. The term Proposal is used interchangeably with the term Offer.

Offeror means the single legal entity submitting the offer. See the clause entitled “Signing Your Offer.”

Procurement Officer means the person, or his successor, identified as such on either the Cover Page, an amendment, or an award notice.

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

State means the South Carolina Public Employee Benefit Authority.

Subcontractor means any person you contract with to perform or provide any part of the work.

Work means all labor, materials, equipment, services, or property of any type, provided or to be provided by the Contractor to fulfill the Contractor’s obligations under the Contract.

You and Your means Offeror.

* 1. **AMENDMENTS TO SOLICITATION**: (a) The solicitation may be amended at any time prior to opening. All amendments to this solicitation shall be in writing from the State. The State shall not be legally bound by any amendment which is not in writing. All actual and prospective Offerors should monitor the following web site for the issuance of amendments: <https://procurement.sc.gov/vendor/contract-opps/other-solicitations/peba> (b) Offerors shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date in the space provided for this purpose on page two, (3) by acknowledging receipt in the Offeror’s Executive Summary, (4) by letter, or (5) by submitting a proposal that indicates in some way that the Offeror received the amendment. (c) If this solicitation is amended, then all terms and conditions which are not modified by the amendment(s) remain unchanged.
  2. **AUTHORIZED AGENT (FEB 2015)**: All authority regarding this procurement is vested solely with the responsible Procurement Officer. Unless specifically delegated in writing, the Procurement Officer is the only government official authorized to bind the government with regard to this procurement or the resulting Contract.
  3. **AWARD NOTIFICATION**: Notice regarding any award, cancellation of award, or extension of award will be posted at the location and on the date specified on the Cover Page or, if applicable, any notice of extension of award. Notice will be sent to all Offerors responding to the Solicitation and any award will not be effective until the eleventh day after such notice is given.
  4. **PROPOSAL AS OFFER TO CONTRACT**: By submitting Your proposal, You are offering to enter into a contract with the South Carolina Public Employee Benefit Authority. Without further action by either party, a binding contract shall result upon final award. Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror on the Cover Page. An offer may be submitted by only one legal entity; “joint bids” are not allowed.

**1.6 PROPOSAL ACCEPTANCE PERIOD**: In order to withdraw Your Offer after the minimum period specified on the Cover Page, You must notify the Procurement Officer in writing. Otherwise, Your Offer remains valid until final award including through any periods consumed by protests.

* 1. **BID IN ENGLISH & DOLLARS**: Offers submitted in response to this solicitation shall be in the English language and in US dollars.
  2. **CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (MAY 2008)**:Giving false, misleading, or incomplete information on this certification may render you subject to prosecution under Section 16-9-10 of the South Carolina Code of Laws and other applicable laws.

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

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

(i) Those prices;

(ii) The intention to submit an offer; or

(iii) The methods or factors used to calculate the prices offered.

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

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

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

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

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

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

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

(c) If the Offeror deletes or modifies paragraph (a)(2) of this certification, the Offeror must furnish with its Offer a signed statement setting forth in detail the circumstances of the disclosure.

* 1. **CERTIFICATION REGARDING DEBARMENT AND OTHER RESPONSIBILITY MATTERS (JAN 2004)**:   
     (a)(1) By submitting an Offer, Offeror certifies, to the best of its knowledge and belief, that-

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

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

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

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

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

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

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

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

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

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly or in bad faith rendered an erroneous certification, in addition to other remedies available to the State, the Procurement Officer, or his designee, may terminate the contract resulting from this solicitation for default without cost to the South Carolina Public Employee Benefit Authority or the State and the Contractor will be charged for the cost of replacement goods and services.

**1.10 CODE OF LAWS AVAILABLE (JAN 2006)**: The South Carolina Code of Laws, including the Consolidated Procurement Code, is available at: <http://www.scstatehouse.gov/code/statmast.php> The South Carolina Regulations are available at: <http://www.scstatehouse.gov/coderegs/statmast.php>

* 1. **COMPLETION OF FORMS/CORRECTION OF ERRORS (JAN 2006)**: All prices and notations should be printed in ink or typewritten. Errors should be crossed out, corrections entered and initialed by the person signing the proposal. Do not modify the solicitation document itself.
  2. **DISCLOSURE OF CONFLICTS OF INTEREST OR UNFAIR COMPETITIVE ADVANTAGE (FEB 2015)**: You warrant and represent that Your Offer identifies and explains any unfair competitive advantage You may have in competing for the proposed contract and any actual or potential conflicts of interest that may arise from Your participation in this competition or Your receipt of an award. The two underlying principles are (a) preventing the existence of conflicting roles that might bias a Contractor’s judgment, and (b) preventing an unfair competitive advantage. If You have an unfair competitive advantage or a conflict of interest, the State may withhold award. Before withholding award on these grounds, an Offeror will be notified of the concerns and provided a reasonable opportunity to respond. Efforts to avoid or mitigate such concerns, including restrictions on future activities, may be considered. Without limiting the foregoing, You represent that Your Offer identifies any services that relate to either this solicitation or the work that has already been performed by You, a proposed Subcontractor, or an affiliated business of either.
  3. **DEADLINE FOR SUBMISSION OF OFFER**: The South Carolina Public Employee Benefit Authority will receive sealed proposals until 3:00 p.m. local time on the opening date shown. To be timely filed, proposals and amendments thereto should be received by the time advertised for opening. It is the vendor's sole responsibility to ensure the South Carolina Public Employee Benefit Authority receives these documents. Offerors mailing proposals should allow a sufficient mail delivery period to ensure timely receipt of their proposal by the South Carolina Public Employee Benefit Authority. Any offer received after the Procurement Officer or his designee has declared that the time set for opening has arrived, shall be rejected unless the offer has been delivered to the designated purchasing office or South Carolina Public Employee Benefit Authority’s mail room prior to the opening. [R. 19-445.2070(G)]
  4. **DRUG FREE WORK PLACE CERTIFICATION (JAN 2004)**: By submitting an Offer, Contractor certifies that, if awarded a contract, Contractor will comply with all applicable provisions of The Drug-free Workplace Act, Title 44, Chapter 107 of the South Carolina Code of Laws, as amended.
  5. **DUTY TO INSPECT AND INQUIRE**: Offeror, by submitting an Offer, represents that it has read and understands the Solicitation and that its Offer is made in compliance with the Solicitation and will be implemented on time and performed satisfactorily over the entire term of the Contract. Offerors are expected to examine the Solicitation thoroughly and should request an explanation of any ambiguities, discrepancies, errors, omissions, or conflicting statements in the Solicitation in accordance with clause 1.22 below. Failure to do so will be at the Offeror’s risk. All ambiguities, discrepancies, errors, omissions, or conflicting statements in the Solicitation shall be interpreted to require the better quality or greater quantity of work and/or materials, unless otherwise directed by amendment. Offeror assumes responsibility for any patent ambiguity in the Solicitation, or assumption it makes concerning the Solicitation, which Offeror does not bring to the State’s attention pursuant to clause 1.22 below. By submission of a proposal, Offeror also certifies that its Offer has been reviewed by the appropriate individuals within the Offeror’s organization and that the goods and services herein, if an award is made to that Offeror, can and will be provided on time and for the compensation proposed, subject to any negotiations that may affect the amount of compensation.
  6. **ETHICS CERTIFICATE (MAY 2008)**: By submitting an offer, the Offeror certifies that the Offeror has and will comply with, and has not, and will not, induce a person to violate Title 8, Chapter 13 of the South Carolina Code of Laws, as amended (ethics act). The following statutes require special attention: Section 8-13-700, regarding use of official position for financial gain; Section 8-13-705, regarding gifts to influence action of public official; Section 8-13-720, regarding offering money for advice or assistance of public official; Sections 8-13-755 and 8-13-760, regarding restrictions on employment of a former public official; Section 8-13-775, prohibiting public official with economic interests from acting on contracts; Section 8-13-790, regarding recovery of kickbacks; Section 8-13-1150, regarding statements to be filed by consultants; and Section 8-13-1342, regarding restrictions on contributions by Contractor to candidate who participated in awarding of Contract. The State may rescind any contract and recover all amounts expended as a result of any action taken in violation of this provision. If Contractor participates, directly or indirectly, in the evaluation or award of public contracts, including without limitation, change orders or task orders regarding a public contract, Contractor shall, if required by law to file such a statement, provide the statement required by Section 8-13-1150 to the Procurement Officer at the same time the law requires the statement to be filed.
  7. **IRAN DIVESTMENT ACT - CERTIFICATION (JAN 2015)**: (a) The Iran Divestment Act List is a list published pursuant to Section 11-57-310 that identifies persons engaged in investment activities in Iran. Currently, the list is available at the following URL: <http://procurement.sc.gov/PS/PS-iran-divestment.phtm>(.) Section 11-57-310 requires the government to provide a person ninety days written notice before he is included on the list. The following representation, which is required by Section 11-57-330(A), is a material inducement for the State to award a Contract to You. (b) By signing Your Offer, You certify that, as of the date You sign, You are not on the then-current version of the Iran Divestment Act List. (c) You must notify the Procurement Officer immediately if, at any time before posting of a final statement of award, You are added to the Iran Divestment Act List.
  8. **OMIT TAXES FROM PRICE (JAN 2004)**: Do not include any sales or use taxes in Your price that the State may be required to pay.

**1.19 OPEN TRADE REPRESENTATION (JUN 2015)**: By submitting an Offer, Offeror represents that Offeror is not currently engaged in the boycott of a person or an entity based in or doing business with a jurisdiction with whom South Carolina can enjoy open trade, as defined in SC Code Section 11-35-5300.

* 1. **PROTESTS**:Any prospective Offeror, Contractor, or subcontractor who is aggrieved in connection with the solicitation of a contract shall protest (and it must be actually received) within fifteen days of the date of issuance of the applicable solicitation document at issue pursuant to S.C. Code Section 11-35-4210. Any actual Offeror, Contractor, or subcontractor who is aggrieved in connection with the intent to award of a contract shall protest (and it must be actually received) within ten days of the date notification of the intent to award is posted also in accordance with S.C. Code Section 11-35-4210. A protest shall be in writing, shall set forth the grounds of the protest and the relief requested with enough particularity to give notice of the issues to be decided, and must be received by the appropriate Chief Procurement Officer within the time provided. See the clause entitled “Protest – CPO - ITMO Address” (clause 1.35 below).
  2. **PROHIBITED COMMUNICATIONS AND DONATIONS (FEB 2015)**: Violation of these restrictions may result in disqualification of Your Offer, suspension or debarment, and may constitute a violation of law. (a) During the period between publication of the solicitation and final award, you must not communicate, directly or indirectly, with the South Carolina Public Employee Benefit Authority or its employees, agents or officials regarding any aspect of this procurement activity, unless otherwise approved in writing by the Procurement Officer. All communications must be solely with the Procurement Officer. [R. 19-445.2010] (b) You are advised to familiarize yourself with Regulation 19-445.2165, which restricts donations to a governmental entity with whom you have or seek to have a contract. You represent that Your Offer discloses any gifts made, directly or through an intermediary, by You or your named subcontractors to or for the benefit of the South Carolina Public Employee Benefit Authority during the period beginning eighteen months prior to the Opening Date. [R. 19-445.2165]
  3. **QUESTIONS FROM OFFERORS**: (a) Any prospective Offeror desiring an explanation or interpretation of the solicitation, specifications, etc. (see clause 1.15 above “Duty to Inspect and Inquire”), must request it in writing. Oral explanations or instructions will not be binding. Any information given a prospective Offeror concerning a solicitation will be furnished promptly to all other prospective Offerors as an Amendment to the solicitation, if that information is necessary for submitting offers or if the lack of it would be prejudicial to other prospective Offerors. We will not identify you in our response to your question. (b) The State seeks to permit maximum practicable competition. Offerors are urged to advise the Procurement Officer as soon as possible regarding any aspect of this procurement, including any aspect of the Solicitation that unnecessarily or inappropriately limits full and open competition. Offerors should advise the South Carolina Public Employee Benefit Authority of any problems they perceive as a result of reviewing this solicitation document, which may bear upon their ability to comply, or submit any other questions, which might ultimately bear upon the State's ability to enter into the relationship described herein with a selected vendor.
  4. **REJECTION/CANCELLATION (JAN 2004)**: The State may cancel this Solicitation in whole or in part and may reject any or all proposals in whole or in part. [SC Code Section 11-35-1710 & R.19-445.2065]
  5. **RESPONSIVENESS/IMPROPER OFFERS**:

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

(b) Responsiveness.  Any proposal deemed unacceptable pursuant to S.C. Regulation 19-445.2095 (I)(1)(c) and (J) will be rejected, such determinations to be discretionary and not disturbed unless arbitrary and capricious. The South Carolina Public Employee Benefit Authority may elect to conduct discussions, including the possibility of proposal revisions, but only for those proposals determined to be either acceptable or potentially acceptable pursuant to S.C. Regulation 19-445.2095 (I)(1)(a) and (b). Any such discussions shall be conducted in accordance with S.C. Regulation 19-445.2095 (I)(2), (3), and (4).

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

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

* 1. **SIGNING YOUR OFFER (JAN 2004)**: Every Offer must be signed by an individual with actual authority to bind the Offeror. (a) If the Offeror is an individual, the Offer must be signed by that individual.  If the Offeror is an individual doing business as a firm, the Offer must be submitted in the firm name, signed by the individual, and state that the individual is doing business as a firm.  (b) If the Offeror is a partnership, the Offer must be submitted in the partnership name, followed by the words “by its Partner,” and signed by a general partner.  (c) If the Offeror is a corporation, the Offer must be submitted in the corporate name, followed by the signature and title of the person authorized to sign.  (d) An Offer may be submitted by a joint venture involving any combination of individuals, partnerships, or corporations.  If the Offeror is a joint venture, the Offer must be submitted in the name of the joint venture and signed by every participant in the joint venture in the manner prescribed in paragraphs (a) through (c) above for each type of participant. (e) If an Offer is signed by an agent, other than as stated in subparagraphs (a) through (d) above, the Offer must state that it has been signed by an Agent. Upon request, Offeror must provide proof of the agent’s authorization to bind the principal.
  2. **STATE OFFICE CLOSINGS (JAN 2004)**: If an emergency or unanticipated event interrupts normal government processes so that offers cannot be received at the South Carolina Public Employee Benefit Authority office by the exact time specified in the solicitation, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal government processes resume. In lieu of an automatic extension, an Amendment may be issued to reschedule the proposal opening. If state offices are closed at the time a pre-proposal conference is scheduled, an Amendment will be issued to reschedule the conference. Useful information may be available at: <http://www.scemd.org/planandprepare/disasters/severe-winter-weather>
  3. **SUBMITTING CONFIDENTIAL INFORMATION (FEB 2015)**: (An overview is available at  
     www.procurement.sc.gov) For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the word "CONFIDENTIAL" every page, or portion thereof, that Offeror contends contains information that is exempt from public disclosure because it is either (a) a trade secret as defined in Section 30-4-40(a)(1), or (b) privileged and confidential, as that phrase is used in Section 11-35-410. For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the words "TRADE SECRET" every page, or portion thereof, that Offeror contends contains a trade secret as that term is defined by Section 39-8-20 of the Trade Secrets Act. For every document Offeror submits in response to or with regard to this solicitation or request, Offeror must separately mark with the word "PROTECTED" every page, or portion thereof, that Offeror contends is protected by Section 11-35-1810. All markings must be conspicuous; use color, bold, underlining, or some other method in order to conspicuously distinguish the mark from the other text. Do not mark your entire response as confidential, trade secret, or protected. If your response, or any part thereof, is improperly marked as confidential or trade secret or protected, the State may, in its sole discretion, determine it nonresponsive. If only portions of a page are subject to some protection, do not mark the entire page. By submitting a response to this solicitation or request, Offeror (1) agrees to the public disclosure of every page of every document regarding this solicitation or request that was submitted at any time prior to entering into a contract (including, but not limited to, documents contained in a response, documents submitted to clarify a response, and documents submitted during negotiations), unless the page is conspicuously marked "TRADE SECRET" or "CONFIDENTIAL" or "PROTECTED", (2) agrees that any information not marked, as required by these instructions, as a "Trade Secret" is not a trade secret as defined by the Trade Secrets Act, and (3) agrees that, notwithstanding any claims or markings otherwise, any prices, commissions, discounts, or other financial figures used to determine the award, as well as the final contract amount, are subject to public disclosure. In determining whether to release documents, the State will detrimentally rely on Offeror's marking of documents, as required by these instructions, as being either "CONFIDENTIAL" or "TRADE SECRET" or "PROTECTED". By submitting a response, Offeror agrees to defend, indemnify and hold harmless the State of South Carolina, its agencies, officers and employees, from every claim, demand, loss, expense, cost, damage or injury, including attorney's fees, arising out of or resulting from withholding information by the State of South Carolina or any of its agencies, that Offeror marked as "CONFIDENTIAL" or "TRADE SECRET" or "PROTECTED". (All references to S.C. Code of Laws.)
  4. **SUBMITTING YOUR OFFER OR MODIFICATION**: (a) All copies of the offer or modification, and any other documents required to be submitted with the offer should be enclosed in a sealed, opaque envelope or package – (1) Addressed to the office specified on the Cover Page; and (2) Showing the time and date specified for opening, the solicitation number, and the name and address of the Offeror. (b) Offerors using commercial carrier services shall ensure that the Offer is addressed and marked on the outermost envelope or wrapper as prescribed in paragraphs (a)(1) and (2) of this provision when delivered to the office specified on the Cover Page. (e) Facsimile or e-mail offers, modifications, or withdrawals, will not be considered.
  5. **TAX CREDIT FOR SUBCONTRACTING WITH DISADVANTAGED SMALL BUSINESSES (JAN 2008)**: Pursuant to Section 12-6-3350, a taxpayer having a contract with this State who subcontracts with a socially and economically disadvantaged small business is eligible for an income tax credit equal to four percent of the payments to that subcontractor for work pursuant to the contract.  The subcontractor must be certified as a socially and economically disadvantaged small business as defined in Section 11-35-5010 and regulations pursuant to it.  The credit is limited to a maximum of fifty thousand dollars annually.  A taxpayer is eligible to claim the credit for ten consecutive taxable years beginning with the taxable year in which the first payment is made to the subcontractor that qualifies for the credit.  After the above ten consecutive taxable years, the taxpayer is no longer eligible for the credit.  A taxpayer claiming the credit shall maintain evidence of work performed for the contract by the subcontractor.  The credit may be claimed on Form TC-2, "Minority Business Credit."  A copy of the subcontractor's certificate from the Governor's Office of Small and Minority Business (OSMBA) is to be attached to the Contractor's income tax return.  Questions regarding the tax credit and how to file are to be referred to:  SC Department of Revenue, Research and Review, Phone:  (803) 898-5786, Fax:  (803) 898-5888.  Questions regarding subcontractor certification are to be referred to:  Governor's Office of Small and Minority Business Assistance, Phone:  (803) 734-0657, Fax:  (803) 734-2498.
  6. **VENDOR REGISTRATION MANDATORY (JAN 2006)**:You must have a state vendor number to be eligible to submit an offer. To obtain a state vendor number, visit [www.procurement.sc.gov](http://www.procurement.sc.gov) and select New Vendor Registration. (To determine if your business is already registered, go to "Vendor Search"). Upon registration, you will be assigned a state vendor number. Vendors must keep their vendor information current. If you are already registered, you can update your information by selecting Change Vendor Registration. (Please note that vendor registration does not substitute for any obligation to register with the S.C. Secretary of State or S.C. Department of Revenue. You can register with the agencies at <http://www.scbos.com/default.htm>.)
  7. **WITHDRAWAL OR CORRECTION OF OFFER (JAN 2004)**: Offers may be withdrawn by written notice received at any time before the exact time set for opening. A proposal may be withdrawn in person by an Offeror or its authorized representative if, before the exact time set for opening, the identity of the person requesting withdrawal is established and the person signs a receipt for the proposal. The withdrawal and correction of Offers is governed by S.C. Code Section 11-35-1520 and Regulation 19-445.2085.

**PART 1**

**INSTRUCTIONS TO OFFERORS-B. SPECIAL INSTRUCTIONS**

* 1. **PRE-PROPOSAL CONFERENCE/SUBMISSION OF QUESTIONS:**

There will be a Pre-Proposal Conference at **10:00 AM Local Time** **on April 18, 2018** at the South Carolina Public Employee Benefit Authority, 200 Arbor Lake Drive, 2nd Floor, PEBA Board Room (Room 200), Columbia, South Carolina.

**NOTE**: Due to the importance of all Offerors having a clear understanding of the specifications and requirements of this RFP, attendance at the pre-proposal conference is strongly encouraged. The South Carolina Public Employee Benefit Authority strongly recommends that, at a minimum, the proposed account manager and the individual responsible for preparing and submitting the Offeror’s proposal be in attendance. Prospective Offerors will be limited to two (2) representatives. Please bring a copy of the RFP with you.

**SUBMISSION OF QUESTIONS**

Any questions, comments, requests for information or clarifications regarding the RFP must be submitted in writing. Do NOT wait to assert deviations, exceptions, etc. to anything in this RFP until (or in) the submission of your proposal.

All questions must be received by the Procurement Officer no later than **April 25, 2018 at 3:00 pm local time**. No further questions regarding the RFP will be accepted after the final deadline for submission of questions, April 25, 2018 at 3:00 pm local time.

Any written questions, requests for information or request for clarifications will be responded to in the form of a written amendment to the RFP and e-mailed to all prospective Offerors. The amendment will also be posted at the following web address: <https://procurement.sc.gov/vendor/contract-opps/other-solicitations/peba>

All questions, comments, requests for information or clarifications regarding this RFP must be submitted as indicated below. All questions, comments, requests for information or clarifications should, to the highest degree possible, cite the specific RFP section and paragraph number(s) to which the question refers. All questions, comments, requests for information or clarifications regarding this RFP should include the identity of the sender, firm name, mailing address, telephone number, and e-mail address. Email is the preferred method for submitting questions with “Questions: Data Conversion & Bridging Services RFP” as the subject of the email. Submit questions in an easily copied format such as MS Word.

**Mark envelopes on questions mailed: QUESTIONS**

**Title: DATA CONVERSION & BRIDGING SERVICES**

**Attn.: David H. Quiat, CPPB**

**SEND QUESTIONS TO:**

**MAIL TO:** **HAND DELIVER/EXPRESS**

South Carolina Public Employee Benefit Authority South Carolina Public Employee Benefit Authority

PO Box 11960 202 Arbor Lake Drive

Columbia, SC 29211-1960 Columbia, SC 29223

Attention David H. Quiat, CPPB Attention David H. Quiat, CPPB

**E-MAIL ADDRESS:**

[dquiat@peba.sc.gov](mailto:dquiat@peba.sc.gov)

* 1. **CONTENTS OF OFFER (FEB 2015)**: (a) Offers should be complete and carefully worded and should convey all of the information requested. (b) Offers should be prepared simply and economically, providing a straightforward, concise description of Offeror’s capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content. (c) The contents of Your Offer should be divided into two parts, the technical proposal and the business proposal. Each part should be bound in a single volume. (d) If Your Offer includes any comment over and above the specific information requested in the solicitation, you should include this information as a separate appendix to Your Offer. Offers which include either modifications to any of the solicitation’s contractual requirements or an Offeror’s standard terms and conditions may be deemed non-responsive and not considered for award.

**1.34 OPENING PROPOSALS – INFORMATION NOT DIVULGED (FEB 2015)**: Offers will be publicly opened at the date/time and at the location identified on the Cover Page, or last Amendment, whichever is applicable. In competitive sealed proposals, neither the number, identity of Offerors nor prices will be divulged at opening. [Section 11-35-1530 & R. 19-445.2095(C)(1)]

**1.35 PROTEST - CPO – ITMO ADDRESS (JUN 2006):** Any protest must be addressed to the Chief Procurement Officer, Information Technology Management Office, and submitted in writing (a) by email to: [protest-itmo@itmo.sc.gov](mailto:protest-itmo@itmo.sc.gov), (b) by facsimile at 803-737-0102 or (c) by post or delivery to 1201 Main Street, Suite 601, Columbia, SC 29201.

**1.36 UNSUCCESSFUL OFFERORS**: Offerors not awarded a contract under this solicitation may request return of their proposals within thirty (30) calendar days after the notice of intent to award becomes the final statement of award. All cost of returns will be paid by the Offeror. Thirty (30) calendar days after the notice of intent to award becomes the final statement of award all materials submitted by firms not awarded a contract may be destroyed.

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

**1.38 DISCUSSIONS AND NEGOTIATIONS (FEB 2015)**:Submit your best terms from both a price and a technical standpoint. Your proposal may be evaluated and your offer accepted without any discussions, negotiations, or prior notice. Ordinarily, nonresponsive proposals will be rejected outright without prior notice. Nevertheless, the South Carolina Public Employee Benefit Authority may elect to conduct discussions, including the possibility of limited proposal revisions, but only for those proposals reasonably susceptible of being selected for award [11-35-1530(6); R.19-445.2095(I)]. If improper revisions are submitted during discussions, the South Carolina Public Employee Benefit Authority may elect to consider only your unrevised initial proposal, provided your initial offer is responsive. The South Carolina Public Employee Benefit Authority may also elect to conduct negotiations, beginning with the highest ranked Offeror, or seek best and final offers, as provided in Section 11-35-1530(8). Negotiations may involve both price and matters affecting the scope of the contract, so long as changes are within the general scope of the request for proposals. If negotiations are conducted, the South Carolina Public Employee Benefit Authority may elect to disregard the negotiations and accept your original proposal.

**PART 2**

**SCOPE OF PROPOSAL**

It is the intent of the State of South Carolina, South Carolina Public Employee Benefit Authority (hereinafter “PEBA”), in accordance with all requirements stated herein or attached hereto, to solicit proposals for Data Conversion & Bridging Services to support the implementation of a new Benefit Administration System (BAS).

PEBA desires to obtain the required services in the most cost-efficient manner possible. The preference is to allow the offeror to utilize their standard business processes and service models in providing these services, so as to avoid unnecessarily increasing the cost of the services. In particular, PEBA prefers to take advantage of proven service delivery models and business processes that have proven effective in other organizations.

* 1. **INTRODUCTION**

PEBA was created July 1, 2012 by the South Carolina General Assembly as part of the retirement reform legislation, Act No. 278. PEBA is the state agency responsible for the administration and management of the State’s employee insurance programs and retirement systems.

PEBA’s governing body is an eleven (11) member board of directors. PEBA functions must be performed, exercised, and discharged under the supervision and direction of the board of directors.

PEBA contains the following major departments:

1. Administration
2. Legal
3. Retirement Financial Services (accounting)
4. Retirement Payment Management
5. Retirement Service Purchase
6. Retirement Customer Claims
7. Retirement Imaging
8. Insurance Finance and Accounting
9. Insurance Enrollment processing, Imaging, and Quality Assurance
10. Insurance Research and Statistics, Wellness Initiatives, and HIPAA Compliance
11. Combined Customer Intake and Call Center
12. Employer Services
13. Defined Contribution Unit
14. Information Technology

## PEBA Retirement Benefits

PEBA administers five (5) defined benefit plans, which are the South Carolina Retirement System (SCRS), the Police Officers Retirement System (PORS), the General Assembly Retirement System (GARS), the Judges and Solicitors Retirement System (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG). PEBA and outside vendors administer the State Optional Retirement Program (ORP) which is a defined contribution plan, offered as an alternative to the mandatory defined benefit plans. Collectively, these plans in total support approximately 239,000 active members, 157,000 annuitants, and 194,000 inactive members.

The Deferred Compensation program is a defined contribution supplement to other retirement benefits through before-tax and after-tax contributions in 401(k) and/or 457 plans, with approximately 100,000 total active contributing and non-contributing participants.

With few exceptions, participation in one of the defined benefit plans or the ORP plan is mandatory for employees at any of the 850 participating public entities. Deferred Compensation Program participation is voluntary and optional. All Deferred Compensation Participants participate in either a defined benefit plan or ORP.

PEBA processes, calculates, and disburses benefits including service retirement, disability retirement, refunds of contributions, and various death benefits. Active members may also purchase service credit and have the option to finance the purchase in-house via our installment program.

Total disbursements of all retirement-related benefits for the defined benefit programs were nearly $3.3 billion for fiscal year 2017.

PEBA is also responsible for collecting retirement contributions from approximately 1,000 participating employers. Contributions are held in trust and used to pay claims and administrative expenses. For all plans except the SCNG, both the employers and employees contribute toward retirement.

## PEBA Insurance Benefits

PEBA provides insurance benefits to more than 490,000 lives, comprised of 190,000 active employee subscribers, 85,000 retirees, and the dependents of both. Participants are employees and retirees from more than 690 participating employers, comprised largely (though not entirely) from the 850 groups participating in the Retirement Benefits program described earlier.

PEBA offers a wide range of self-insured and fully-insured products. The self-insured products include a group health plan, a group dental plan, and a basic long term disability plan. The fully-insured products include a group vision plan, multiple life insurance products, a supplemental dental product, and supplemental long-term disability plan. PEBA also offers tax-favored medical and dependent spending accounts.

PEBA manages eligibility and enrollment data for all participating employers and all benefit plans. PEBA processes all enrollment requests for newly-hired employees, as well as newly-eligible retirees, survivors, and COBRA subscribers. Additionally, PEBA processes enrollment changes throughout the year and holds an annual enrollment period each October.

PEBA is responsible for billing employers for both the employer and employee contribution to premiums for active employees, and a limited subset of retired, survivor, and COBRA subscribers. It bills most individual subscribers, including the majority of retiree, survivor, and COBRA subscribers, for premiums from all benefit elections. Certain retirees receive a contribution to premiums from a state trust fund for that purpose, which PEBA also oversees and processes.

Premiums collected for self-insured products are held in trust and used to pay claims and administrative expenses. For these programs, PEBA contracts for Third Party Administration, meaning that Third Party Claims Administrators process the claims but do so with the State of South Carolina’s adopted rules and funds from the above-mentioned trusts. Both the employers and employees contribute toward the premiums for these self-insured products for active employees. Funding premiums for retirees, survivors, and COBRA subscribers vary.

The premiums for the remaining fully-insured products are paid by employees only. Premiums for the other fully-insured products are remitted to Insurance Benefits, which pays them to the third-party administrators. Generally, the fully insured products operate under certificates or plan documents subject to the vendors’ rules, at times with input from PEBA.

**PEBA Operational Information Technology Systems**

The Operational Information Technology Systems include subsystems for all major business functions. The systems are hosted at the PEBA facility in Columbia, South Carolina on a combination of UNIX, Linux, and Windows servers.

**Retirement Systems**

PEBA utilizes a number of applications to support its current operation. Core retirement functionality exists in the Retirement/UNIX legacy application. The application is built using Natural Programming language with data stored in an ADABAS database. This application supports a full range of defined benefit plan functions, including member accounts and service posting, employer reporting, retirement claims, annuity and one-time payments, and the receipt and accounting of retirement financial transactions. The Retirement/UNIX application interfaces with 29 incoming external data interfaces and 86 outgoing external data interfaces. The system creates over 654 reports and processes 170 different forms and letters.

The system has a modular code base that provides the ability for other applications to use Retirement/UNIX common system functions and data access. The leveraging of Retirement/UNIX functions is done through brokered calls to the UNIX system and ADABAS database initiated by other Retirement applications. Generally, employer and active member processes are supported through the original green screen legacy system, whereas the claims, benefit payroll and payment/payee maintenance functions are supported through the CRIS system. The CRIS system has its own unique functionality, but uses brokered calls to access the Retirement/UNIX application’s automated functions. The CRIS system is used exclusively by internal PEBA users.

In addition to CRIS, two GUI applications leverage the core Retirement/UNIX code base. The EES system is a GUI interface system that supports employer business functions. The Member Access system is the GUI interface system that supports member and retiree information processing and data access. Both of these applications use the same approach as CRIS, which is to leverage Retirement/UNIX functions where possible while presenting a more modern GUI system interface to application users.

The Team IA system supports imaging and workflow functions for both the Retirement/UNIX and CRIS applications. A full range of scanning, indexing, workflow queue management, document search and other EDMS extended functions are used by PEBA. There is also custom coded workflow and work tracking functionality in the Retirement/UNIX system (the function generates WIPs – work in process notices) and is used extensively throughout the system.

Last, detailed retirement financial transactions are stored in the Retirement/UNIX database. Retirement financial transactions are summarized and interfaced to the SAP general ledger and financial reporting system on a daily basis. The financial management of investment accounting transactions and coordination with PEBA’s custodial bank is also supported through the SAP system. Of note, for Insurance related financial management, PEBA integrates with the State SAP financial system and not the SAP system operated by PEBA.

The PEBA SAP application interfaces with 14 incoming external data interfaces.

The table below provides a brief description of each of the major Retirement applications. The applications are described in more detail in subsequent sections.

| Key Applications | Purpose | In Scope of this RFP? | Size |
| --- | --- | --- | --- |
| Retirement/UNIX | Retirement is the legacy Natural language based application that supports a full range of PEBA defined benefit plan functionality. Some of the system’s functionality is presented via a character-based, green screen interface, while other functions are presented via separate GUI applications (CRIS, EES, and Member Access).  System contains approximately thirty (30) years of transactional data. | Yes | 139GB of data  179 Files (Tables)  271 Million records |
| Comprehensive Retirement Intranet System (CRIS) | A GUI based system that provides core functionality to PEBA internal users supporting claims processing and benefit payment functions. | Yes | Not an operational data store |
| Member Access | This GUI application provides self-service functionality for active members and retirees. Active members can submit retirement applications, perform benefit estimates, submit requests the purchase of service, change demographic information, and view member account statements. Retirees can access beneficiary information and 1099R tax forms, while having the ability to update tax withholdings and direct deposit information. | Yes | Not an operational data store |
| Electronic Employer Services (EES) | A web based, self-service GUI application that supports employer functions including member enrollments and employer deposits and reporting. Employers can also track outstanding PEBA requests that need to be fulfilled via this application. | Yes | Not an operational data store |
| SAP Accounting | SAP ECC 6.0 is the financial system used to support general ledger and financial reporting for PEBA retirement and investment accounting business areas. | No | N/A |
| Electronic Document Management System (EDMS) | This application from Team IA is used to scan, index, image and store documents (forms, letter, reports, etc.). The system also manages certain retirement workflow processes. Most high volume source documents are imaged upfront and PEBA staff process the imagined documents using pre-defined workflows. Other Team IA document management and correspondence generation utilities are utilized by PEBA.  System contains approximately twenty (20) years of transactional data. | Yes | 65 million images |

Retirement/UNIX and CRIS

The Retirement/UNIX application hosts the majority of retirement business functions and data. There are several Java applications that have been built to provide a more modern GUI interface to the core ADABAS system. The GUI application that supports benefit payment and claim functions is called the CRIS system.

The Retirement/UNIX system was internally developed in 1989 using the Natural programming language. The system includes over 15,000 programs and utilizes 178 database files. CRIS was added in September of 2009.

Retirement/UNIX and CRIS Key Functions

The Retirement/UNIX and CRIS applications perform the following key functions:

| No | Key Functions | Accessed Internally Via |
| --- | --- | --- |
| 1 | Customer Service Call Log | UNIX – Green Screen |
| 2 | Service Accounting and Cash Receipts | UNIX – Green Screen |
| 3 | Employer Maintenance | UNIX – Green Screen |
| 4 | Employer Reporting | UNIX – Green Screen |
| 5 | Member Contributions and Service | UNIX – Green Screen |
| 6 | Average Final Compensation | UNIX – Green Screen |
| 6 | Service Purchase | UNIX – Green Screen |
| 7 | Claims | CRIS |
| 8 | Benefit Payments Payrolls | CRIS |
| 9 | Retiree and Payee Maintenance | CRIS |
| 10 | Benefit Adjustments and Cyclical Processing | CRIS |

Retirement/UNIX and CRIS Application Database

The Retirement/UNIX application uses an ADABAS database. Following are some of the key files within the Retirement/UNIX ADABAS database:

* Account Master
* Service File
* Installment Notes
* Member Transaction File
* Transaction History File
* Beneficiary File
* Client
* Client Address
* EES and Member Access Security Information
* Sub Ledger Accounting Transactions
* Claims Applications
* Retirement Accounts
* Payee Accounts
* Payment Transactions
* 1099 Records
* Tables

The key current file structures supporting member accounts are designed around the account master, service file, and member transaction files. The service file contains contribution, interest and other account transactions. The Account Master is a file containing summarized member information from the service file and is created each year for members during the previous year-end closing process. The member transaction file is a historical view of all detailed transactions used for audit trail purposes.

The sub ledger files are used to store detailed accounting data that will eventually be “rolled up” and interfaced into the SAP accounting system. The sub ledger files are updated through transactions created in multiple departments across PEBA. Service purchase transactions, cash receipt deposits, employer contribution postings, and payment transactions are all created daily in their respective departments. A nightly program reads all the individual files and rolls up the transactions into the general ledger.

Member Access

Member Access is a java web-based application that allows members, both active/inactive and retired, the ability to view/maintain certain retirement information. All members may update their address and contact information, i.e. email address and phone number. Active/inactive members may view account information and beneficiaries. Member Access has over 94,000 users.

Member Access Key Functions

The member access application performs the following key functions:

| No | Key Functions |
| --- | --- |
| 1 | Create and maintain user accounts. |
| 2 | Update contact information. |
| 3 | Active/Inactive members can view account information and beneficiaries. |
| 4 | Active/Inactive members can print member statements. |
| 5 | Active/inactive members can submit a service retirement application. |
| 6 | Active members may submit a service purchase request. |
| 7 | Active/inactive members can do a service purchase cost estimate. |
| 8 | Active State ORP members can view vendor information. |
| 9 | During State ORP open enrollment, State ORP members can change vendors. |
| 10 | State ORP members receive messages about changing vendors or switching to SCRS, if eligible, during open enrollment. |
| 11 | Retirees may view retirement account information including beneficiaries. |
| 12 | Annuitants can view payment transactions and print annuity verification letters. |
| 13 | Refund payees can view payment transactions. |
| 14 | All payees may view and print 1099 data. |
| 15 | Annuitants can manage tax withholding categories and EFT information. |
| 16 | TERI participants can print TERI statements. |

Note: TERI is PEBA’s DROP program.

EES

The EES system is an employer access system that is separate from the EBS insurance employer access system. EES is used to support employer retirement functions. This application was initially developed in 1998.

EES Key Functions

The EES application can perform following key functions:

| No. | Key Functions |
| --- | --- |
| 1 | Provides the ability to view key retirement information for their active employees. |
| 2 | Provides ability to compute basic retirement estimates to employees. |
| 3 | Allows PEBA to send forms for completion through tasks, which PEBA initiates and places on their task list. This eliminates paper and postage costs. |
| 4 | Provides the ability to upload quarterly reporting information and view reporting errors. |
| 5 | Provides the ability to enroll new employees and to enter return to work information for newly employed retirees. |
| 6 | Provides ability to download limited data from PEBA files. |
| 7 | Provides the ability to remit installment accounting service purchase payments. |
| 8 | Allows the ability to maintain employer contact and user information. |
| 9 | Provides the ability for employers to upload furlough supplemental information electronically. |

### 

SAP Accounting

***This application is not in scope of this contract. This information is provided for informational purposes only.***

The PEBA SAP accounting system is a third-party COTS integrated system that supports enterprise resource planning (ERP). Although there are many modules with the SAP ERP suite of products and modules, PEBA uses only the accounting module. The system, as configured for PEBA, supports three functions. These functions include:

* Managing and summarizing retirement financial information, the chart of accounts, and overall accounting and reporting for employer, member, and benefit recipient transactions.
* Managing investment accounting financial transactions provided by the custodial bank, allocating quarterly performance across PEBA retirement plans, and adjusting investment data as necessary.
* Providing financial statements that conform to GASB and CAFR accounting and reporting requirements.

PEBA has version ECC 6.0 of the SAP system. The PEBA implementation uses an Oracle relational database for data management and the SAP provided GUI (GuiXT version 7.10) to access the SAP environment. PEBA has a license for 2 developers and 10 users.

Specialized external SAP resources are required to support this application. A contractor is on retainer with PEBA to support system enhancements and data interface updates.

The SAP accounting module was procured in early 2000’s. The deployment of retirement and investment accounting functions were made at the same time.

SAP Accounting Key Functions

The member access application can perform the following key functions:

| No | Key Functions |
| --- | --- |
| 1 | Accepts monthly general ledger investment transactions from the custodial bank. |
| 2 | Accepts daily general ledger retirement transactions from the Retirement/UNIX system. |
| 3 | Allocates investment revenue/expenses (monthly) and assets/liabilities (annually) to PEBA plans. |
| 4 | Creates monthly and annual financial statements. |
| 5 | Generates audit and management reports. |

## Retirement System

### As-Is Data Flow Diagram



Note: Above diagram as of June 2016

**Insurance Systems**

PEBA utilizes a number of applications to support its current operations. Of these, there are two core applications: Insurance/UNIX and Premium Billing & Insurance Accounting.

The Insurance/UNIX application is legacy Natural language, green screen, character-based system that supports the majority of all PEBA insurance business activities. Insurance/UNIX maintains subscriber eligibility and enrollment data for all participating employers as well as calculating premiums for all insurance benefit coverages. This application processes paper form submissions or web automated (using accompanying PEBA browser applications) for all enrollment requests and newly-hired employees, as well as newly-eligible retirees, survivors, and COBRA subscribers. The application also manages enrollment and premium changes for current subscribers throughout the year and during the annual open enrollment period. The Insurance/UNIX application interfaces with 14 incoming external data interfaces and 33 outgoing external data interfaces. The system creates over 193 Insurance related reports, 43 different forms and 30 letters.

The Premium Billing & Insurance Accounting application is a separate and independent system responsible for billing employers for both the employer and employee insurance premiums for active employees, and a limited subset of retiree, survivor, and COBRA subscribers. It also directly bills most individual subscribers (retiree, survivor, and COBRA subscribers). This application also receives and processes premium payments, claims reimbursements, and other vendor payments. General ledger transactions are stored in the system, while interfacing financial transactions to the State general ledger system. The Premium Billing & Insurance Accounting application interfaces with 2 incoming external interfaces and 9 outgoing external data interfaces. The system creates 26 reports, 2 forms and 21 letters.

The following table provides a brief description of each of the major insurance applications. The sections following this table describe the systems in more detail.

| Key Application | Purpose | In Scope of this RFP? | Size |
| --- | --- | --- | --- |
| Insurance/UNIX | The legacy Natural/ADABAS application that manages subscriber enrollment, benefit eligibility, and premium calculations.  System has approximately thirty (30) years of transactional data. | Yes | 33GB  76 Files (Tables)  90 Million records |
| Employee Benefit Services (EBS) | This is a web-based application that is used by participating insurance employer groups. Employers interact by accessing the Insurance/UNIX and Premium Billing & Insurance Accounting functions and data using this GUI interface. From EBS, employers can retrieve reports, requests for actions, monthly insurance billing statements, and employer invoice information. | Yes | Not an operational data store |
| MyBenefits | This is a web-based application for members to review current and future benefit options, perform open enrollment changes, and approve employer enrollment actions created in EBS. | Yes | Not an operational data store |
| EDM | This is the Electronic Document Management system used to scan, index, and maintain all workflow applications. For the insurance division, most high volume source documents are imaged upfront and PEBA staff processes the documents using the imaged data.  System has approximately twenty (20) years of transactional data. | Yes | 15 million images |
| Premium Billing & Insurance Accounting | This system creates monthly bills for insurance benefits, accepts and tracks receivables for premium payments, calculates claim reimbursements and vendor payments, and interfaces with the State general ledger accounting system.  System has approximately thirty (30) years of transactional data. | Yes | 34 GB  87 Files (Tables)  102 million records |

Insurance/UNIX Application

The Insurance/UNIX application is the primary source for enrollment, eligibility and premium business transactions. This application was initially developed in the late 1990’s. It leverages an ADABAS database, which is the primary source of business functionality for the system. Insurance/UNIX data and business logic is accessed interactively from two other PEBA insurance division web-based applications, EBS and MyBenefits. The EBS system is used by employers to assist employees with enrollment in various PEBA insurance products. The MyBenefits web application provides self-service functionality for subscribers.

One of the key interfaces of this application is the daily and monthly enrollment extract files that are used to support the internal PEBA Premium Billing & Insurance Accounting system. Each night, all subscriber, coverages, and premium data is extracted from the UNIX ADABAS files, converted, and reloaded into separate MySQL data tables that are required for the Premium Billing & Insurance Accounting system. The Insurance/UNIX application also generates daily files of enrollment changes that are provided to third party claims administrators (TPA).

Insurance/UNIX Key Functions

The Enrollment/ UNIX application performs the following key functions:

| No. | Key Functions |
| --- | --- |
| 1 | Allows users to key enrollment changes from paper forms for members. |
| 2 | Updates member coverage to reflect web-based enrollment requests. |
| 3 | Creates daily files of enrollment changes for TPAs. |
| 4 | Generates daily and monthly enrollment files used by the internal Premium Billing & Insurance Accounting system. |
| 5 | Stores historical member coverage and changes. |
| 6 | Stores coverage rates and calculates premiums. |
| 7 | Uses the FILE2TIFF system to generate and store correspondence. |

Insurance/UNIX Database

The Insurance/UNIX application uses an ADABAS database. The following lists the key data of the Insurance/UNIX application:

* Rates/Group files
* Subscriber Master file
* Dependent Master file
* Operation Transaction files
* Suspense files
* History files
* EBS and MyBenefits security information files

EBS

The Employee Benefit Services (EBS) is a web-based system used to support employer automation and interactions with PEBA. This system was developed internally and deployed in 2004. Employer designated benefit counselors can enroll new subscribers, review benefits, and make changes to existing subscriber coverages throughout the year. They can also receive monthly reports, accept work tasks requested from PEBA, and perform other member and PEBA support functions. They can retrieve enrollment and premium billing invoices (PDF documents) throughout the year. This application accesses the core Insurance/UNIX system, as well as billing information from the Premium Billing & Insurance Accounting system to display and process data for employers. This system has custom logic and replicate rules to support GUI drop-down windows and navigation. Where possible, broker calls are used instead of replicating Insurance/UNIX functions.

EBS Key Functions

The EBS application performs the following key functions:

| No. | Key Functions |
| --- | --- |
| 1 | Enrolls and maintains members in available insurance products. |
| 2 | Provides online inquiry access to enrollment information. |
| 3 | Provides a single access point for groups to receive insurance reports, bills and data files. |
| 4 | Provides staff with an interface to approve/reject EBS initiated online enrollments. |
| 5 | Provides employers the ability to update their own contact information. |
| 6 | Provides integration with iaFolder (via IMGBITS software utility) to create new imaging folders. |

### 

MyBenefits

The MyBenefits application is a Java web-based application available to members (active group, individuals, and local sub divisions and retirees). In addition to open enrollment, users can approve EBS transactions, review benefits, update contact information and update beneficiaries throughout the year. Similar to the EBS application, MyBenefits does not have a dedicated database but uses UNIX broker calls and ADABAS for data access and business processing. This system was developed internally and deployed in 2007.

PEBA runs multiple instances of MyBenefits. The two instances are used and load balanced by Citrix NetScaler application delivery controller.

MyBenefits Key Functions

The MyBenefits application performs the following key functions:

| No | Key Functions |
| --- | --- |
| 1 | Allows members to create open enrollment transactions. |
| 2 | Allows members to update contact and beneficiary information (year round). |
| 3 | Allows members to review benefits (year round). |
| 4 | Allows members to approve enrollment transactions initiated in EBS by employer benefit counselors. |

Premium Billing & Insurance Accounting

The Premium Billing & Insurance Accounting system is a browser-based core custom software application that supports premium billing, cash/premium payment receipts, outgoing vendor payments, and accounting functions. All insurance premium receivables, vendor claim reimbursements (self-insured products), pass-through vendor payments (fully insured products) and trust accounting are performed in this system. The system generates all monthly premium bills, while managing interactions and updates to the State accounting and the State payment processing systems. The system is used by internal insurance accounting users (approximately 10) with regular access to the applications. While there is no direct access from this application for employers, data from this application (employer monthly premium bills, reports, etc.) is made available via the EBS employer insurance system.

The system is written in Ruby using the Rails web framework. The system was originally developed internally and deployed into production in 2010, and upgraded (retooled) in 2013. The system relies heavily on the Insurance/UNIX application for the historical subscriber enrollment data, coverage choices, and calculated premiums. The system runs three databases, Accounting, Billing, and Benefits. Each night a snapshot of the subscriber and benefit information is extracted and re-loaded into the Benefits MySQL database. The previous day’s historical enrollment records are deleted prior to the nightly data refresh. All key enrollment related data is replicated in this system via this nightly data refresh.

Premium Billing & Insurance Accounting Key Functions

The Premium Billing & Insurance Accounting application performs the following key functions:

| No. | Key Functions |
| --- | --- |
| 1 | Creates individual and employer group bills. |
| 2 | Creates direct pay invoices to individual subscribers. |
| 3 | Manages cash receipts, accounts receivable and accounts payable transactions. |
| 4 | Provides general ledger functionality and balancing reports, while interfacing financial transactions to the State accounting system |
| 5 | Integrates with the Team IA imaging system. |
| 6 | Facilitates claims reimbursement payments to TPAs. |
| 7 | Generates vendor and miscellaneous payments. |
| 8 | Manages the adoption eligibility and payment process. |

## Insurance Systems

### As-Is Data Flow Diagram



Note: Above diagram as of June 2016

**Imaging/Document Management Systems**

Retirement and Insurance both image documents into a third-party imaging system. Documents can be imaged from paper or converted from a digital file. Business users access the images via fat client on the desktops.

PEBA uses document scanning, indexing and workflow products by software solutions vendor Team IA. These products were customized and configured by the product vendor to meet PEBA’s business requirements. No integration occurs between the line of business applications and the Imaging systems with the exception of some screen scraping of SSNs done in one application. The workflow and line of business applications run side-by-side on the desktop for user access, with little integration. The imaging application used for Insurance related business process is called EDM. The imaging application used for Retirement related business process is called EDMS.

These two applications, EDM and EDMS are separate and independent applications.

The Team IA Document/Imaging infrastructure contains three major servers: Application server, Database server, and Image Repository. The servers are described below.

**Application Server**

|  |  |
| --- | --- |
| **Operating System** | Windows Server 2008 Standard Edition |
| **Hardware** | 1 CPU, RAM 6 GB, Storage 300 GB |
| **Key Components** | Team IA Imaging Server, Migration Manager, Release, Imaging API for accounting |

**Database Server**

|  |  |
| --- | --- |
| **Operating System** | Windows Server 2008 Standard Edition |
| **Hardware** | 1 CPU, RAM 6 GB, Storage 280 GB |
| **Database** | Microsoft SQL Server |

**Image Repository**

|  |  |
| --- | --- |
| **Operating System** | Windows Server 2008 Standard Edition |
| **Hardware** | 1 CPU, RAM 4GB, Storage 1.6 TB |
| **Key Components** | Team IA Imaging, Image Store, iaFlow Event Server, iaBits, FILE2TIFF |

* 1. **PROJECT OVERVIEW**

In 2014, PEBA undertook an Operational Assessment (OA) project to review PEBA’s operational processes, technology and resources, to define a future state operating model by using best practices and best approach to reduce risk and to recommend a roadmap documenting required activity, costs and resources. It is PEBA’s intent to purchase an off-the-shelf Benefit Administration System (BAS) that can be customized to PEBA’s needs.

The new system will provide a unified, one stop improved customer experience with respect to all programs administered by PEBA. There will be one secure portal through which customers (members, subscribers, beneficiaries, dependents and employers) can conduct business with PEBA. All PEBA publications, as well as personal and electronic interactions with customers, will have a common language, appearance and feel. The new system and processes will enhance existing Customer Service capabilities including but not limited to the Customer Contact Center and Employer Contact Center. The new system will integrate retirement and insurance processes where further integration will improve operations and/or the efficiency and delivery of services to customers, including but not limited to; Common member and employer profiles/demographics, Common enrollment, Common imaging/document management, Common cash receipts, Death notification, and Employer reporting (integrated data). The new system and processes will enhance existing operational performance measurement capabilities. More robust reporting and operational analytics will be tracked and measured with respect to PEBA’s programs, including use of customer portals. The new system and processes will enhance existing data exchange functionality with all appropriate third parties, including all third-party administrators. The new system and processes will continue to support or enhance the privacy and security of PEBA’s information assets.

Over an approximate 5-year time period, PEBA’s modernization program will be executed through six program workstreams. Many workstream activities will be executed concurrently, requiring coordination, common understanding, and program management across the project teams. The new Benefit Administration System is expected to be deployed in two phases.

|  |  |
| --- | --- |
| **Workstream** | **High Level Description** |
| Workstream 0: Requirements Definition & Vendor Procurements | This workstream encompasses detailed system requirements definition, implementation planning, RFP creation, vendor procurements, and vendor contracting. |
| Workstream 1: Enrollment, Employer Reporting, CRM, & Insurance Premiums System Development | This workstream verifies and implements functionality associated with participant Enrollment, Employer Reporting, CRM, Insurance Premium Eligibility and Calculations, and maintaining active participants account information. This workstream represents the first of two phased deployments of functionality to the new BAS. |
| Workstream 2: Retirement Claims & Benefit Payments System Development | This workstream implements functionality associated with Retirement, Disability and Death Claims, Refunds, Retiree Insurance and Benefit Payments, Benefit Payroll Maintenance, and Taxes. This workstream represents the second of two phased deployments of functionality to the new BAS. |
| Workstream 3: Data Conversion & Bridging | This workstream analyzes, plans and executes all data conversion, bridging, and data reconciliation activities. |
| Workstream 4: Organizational Change Management | This workstream coordinates training and communication, while managing the transition of stakeholders, participants, employers, and staff to new business processes and operational systems. |
| Workstream 5: Program Management | This workstream manages project plans, progress, risks, and issues, while overseeing vendors, contracts, and program governance. |

Phase 1 Business Functions

The Enrollment, Employer Reporting, CRM and Insurance Premiums System Development workstream encompasses the following business functions:

* Retirement and Insurance Enrollment (Active and Retired)
* Person, Participant, and Beneficiary Management
* Employer Setup, Contacts, and Demographics
* Customer Relationship Management
* Employer Reporting
* Service Credit Calculations
* Service Purchase
* Insurance Eligibility and Premium Calculations (Active and Retired)
* Member and Subscriber Account and Status Management
* Insurance Open Enrollment
* General Ledger Integration
* Retirement Cash Receipts
* Insurance TPA Interfaces
* Individual and Group Premium Billing
* Premium cash receipts, accounts receivable and account payables

Phase 1 Systems to be retired

* Insurance/UNIX
* Premium Billing & Insurance Accounting
* MyBenefits
* EDM
* Member Access (partial)
* EBS (partial)

It is anticipated that temporary data bridging will be necessary to synchronize, primarily retirement plan related, data between the new BAS and the legacy retirements systems during gap period between Phase 1 and Phase 2.

Phase 2 Business Functions

The Retirement Claims and Benefit Payments System Development workstream encompasses the following business functions:

* Retirement Claims (i.e. Refunds, Service Retirement, Disability Retirement)
* Benefit Estimates
* Benefits Payroll
* Deductions
* Payee and Payment Maintenance
* Benefit Adjustments
* COLAs
* 1099s
* Tax Reporting
* Deaths

Phase 2 Systems to be retired

* Retirement/UNIX
* CRIS
* EDMS
* Member Access
* EBS
  1. **DATA CONVERSION AND BRIDGING WORKSTREAM**

The data planning, analysis, profiling, conversion, and bridging activities in the Data Conversion and Bridging workstream are required to ensure that cleansed operational data is transitioned into the new system. The activities below define the framework for an effective data conversion and bridging process.

The goals of the Data Conversion and Bridging workstream include:

* Expose data quality issues and data business rule violations early in the program.
* Deliver high quality converted data.
* Maintaining integrity of the converted data using rigorous audit and reconciliation controls.
* Prioritize and coordinate PEBA data cleansing efforts.
* Leverage PEBA staff to perform the majority of conversion and bridging, utilizing contractor experts only when required.
* Deliver converted data to the development team prior to testing.
* Ensure that converted and bridged data process accurately in the new solution.
* Ensure the data bridges provide timely and accurate data, while minimizing duplicative data entry in the legacy system.

Data Conversion Planning & Analysis

The data conversion planning and analysis activity involves collaboratively analyzing and documenting the data needs for a two-phased new system implementation. Data conversion planning and analysis will identify legacy data sources and classify the legacy data to convert. Documenting the definition, values, and relationships to other legacy data elements is an initial step in the process. From there, file dependencies, the best data source, and initial data conversion rules can be defined. The outcome of this activity will include file and data mapping, initial conversion rules, and data bridging requirements.

Data Profiling

The Contractor will have primary responsibility for planning and defining the approach while PEBA will have primary responsibility for executing data profiling activities. Data profiling activities include an examination and identification of data business rule violations, along with data duplication issues and inconsistencies in the legacy system. The Contractor will help identify data problems and define the appropriate processes to correct the issue. Profiling helps not only to define data anomalies and assess the current level of data quality, but it also reconciles data from multiple sources. This reconciliation includes statistics and information that are gathered on data violations to determine the level of PEBA business rule compliance. Profiling provides key diagnostic information that drive data cleansing requirements.

Data Cleansing

PEBA will have primary responsibility to perform data cleansing, supported by the Contractor, with the common goal of providing the BAS implementation contractor with standardized and valid new system data for testing. Typically, data cleansing involves loading legacy data from multiple data sources into a staging database and running validation and reconciliation reports. All data cleanup issues are identified, inventoried, prioritized, tracked, and eventually resolved. Programmatic cleansing and manual data cleanup are two methods to cleanse legacy data. A data cleansing plan will be defined, including cleansing items, priority, magnitude, and the recommended cleansing approach.

Data Conversion

PEBA will have primary responsibility for executing conversion activities with support from the Contractor. The data conversion process involves creating detailed data mapping, writing data conversion specifications, developing conversion programs or database scripts, unit and system testing, and verifying converted data results. Data conversion will consist of multiple conversion processes and programs, all producing reconciliation reports and data exceptions. The conversion programs, when completed, are sequenced into a data conversion execution schedule that is used to run mock data conversions. Mock conversion results, when loaded into the new system database, provide visibility to data conversion and data cleansing quality and accuracy.

Data Bridging

Data bridging will be necessary to connect and synchronize the new system data and the legacy system. Data is passed to and from the new environment applications to keep the data synchronized on a recurring or real-time basis. The bridging team will define required data sources and legacy system functionality that will require bridged data. Similar to the data conversion effort, the bridging team will perform data file and field mapping. Data bridging will continue until all new PEBA system functionality is phased into production.

**PART 3**

**SCOPE OF WORK**

The Contractor shall provide data profiling, cleansing and migration services in accordance with all of the requirements outlined in this Request for Proposal (including all attachments), all applicable laws and regulations and the Offeror’s response thereto. PEBA will award a contract to a single contractor to perform all of the functions described in this RFP and will not award separate contracts. PEBA will not award a contract for the implementation and deployment of PEBA’s new benefits administration system to the Contractor selected as a result of this Request for Proposal for Data Conversion and Bridging Services.

PEBA is seeking proposals which comply with each of the material and essential requirements described in Part 3, Scope of Work, 3.1 through 3.10 below. In addition, the requirements in Part 3, Scope of Work, 3.1 through 3.10 shall be met fully, satisfactorily, and performed in their entirety in a first class manner. PEBA considers any proposal which provides any deviations from, or caveats to, Part 3, Scope of Work, 3.1 through 3.10, as unacceptable. Anything that any Offeror would like to modify, seek clarifications on, or any other deviation, however modest, MUST be presented during the question and answer phase, considered and determined by PEBA before the submission date for all proposals, so that all prospective Offerors will have a common and uniform basis upon which to submit its proposals.

The Contractor shall provide, at a minimum, the following material and essential requirements, without deviation or modification, subject to any modifications that may be issued in an Amendment to the Request for Proposal by PEBA resulting from the question and answer phase. At PEBA’s discretion, requirements listed below, may or may not be performed.

The data planning, analysis, profiling, and conversion activities in the Data Conversion workstream are required to ensure that cleansed operational data is transitioned into the new system. The activities below define the framework for an effective data conversion process.

* 1. **DATA CONVERSION PLANNING AND ANALYSIS**

The data conversion planning and analysis activity involves collaboratively analyzing and documenting the data needs for a two-phased new system implementation. The intent is for PEBA to have primary responsibility for the legacy ADABAS based applications/databases and the Contractor to have primary responsibility for the legacy imaging/documentation applications/databases. Furthermore, it is PEBA’s desire to have the Contractor provide assistance to support PEBA as it undertakes its primary responsibilities working with the legacy ADABAS based applications/databases. For purposes of this RFP (contract), the phrase “Assist PEBA” should include the following types of activities per essential requirement:

* Participate as a data conversion SME in a minimum of two working sessions;
* Review/comment upon PEBA’s approach;
* Review/comment upon PEBA generated work products;
* Review/comment upon final deliverables; and,
* Share relevant prior project experience, including best practices, typical work approaches and common problems, issues and risks.

The Contractor shall:

* + 1. Define the Data Conversion/Reconciliation process.
    2. Define the approach to be used for Data Profiling.
    3. Define the approach to be used for Data Reconciliation/Cleansing.
    4. Review and provide recommendations on the proposed phased data conversion plan.
    5. Define the data extraction/staging architecture.
    6. Assist PEBA in identifying legacy data sources.
    7. Assist PEBA in identifying legacy data source scope, including identifying which legacy data sources are in-scope and which are out-of-scope, identifying specific tables/fields from in-scope data sources that are to be excluded and identifying which historical data needs to be converted.
    8. Assist PEBA in legacy data documentation of the Insurance & Retirement systems.
    9. Assist PEBA with the final phased data conversion plan.
    10. Prepare legacy data documentation of the EDMS and EDM imaging/document management systems.
    11. Establish a Project Repository.
    12. Assist PEBA in legacy data documentation of the Premium Billing & Insurance Accounting system.
  1. **DATA PROFILING**

The purpose of Data Profiling is for the Contractor to gain a detailed understanding of the data and to begin to identify the data that needs cleansing. The goals of this phase are as follows:

* Identify key data components, key points of time related to the data, missing elements of the data, and summarized elements of the data.
* Analyze key data components to identify data that will need to be cleaned and/or corrected prior to the implementation of the new BAS system.
* Gain awareness of the User Community’s needs, concerns, and priorities as they relate to the data.
* Begin building the foundation of how to approach the overall project and how communication will work with the interested parties of the project.

The Contractor shall:

* + 1. Develop a detailed project plan that covers the Data Profiling activities and includes all resources necessary for successfully completing the Data Profiling.
    2. Investigate new BAS data model proposed by selected BAS Contractor.
    3. Assist PEBA with identifying key data elements and the attributes and relationships to other data that make them important (for example: contributions are a key element, taxability is a key attribute, and the ties to salary and service are key relationships).
    4. Assist PEBA in conducting an analysis of the existing Insurance & Retirement systems:
       - * Identify all functions of current system that are expected to be in scope for conversion.
         * Evaluate key areas: Contributions, Hours, Service, Employment history for completeness of data, consistency of data, etc.
         * Query areas known to be problems in other implementations (e.g., multiple people with same SSN, missing SSNs, participants missing key data elements, etc.).
         * Identify the “Source of Truth” for data fields that exist in multiple legacy systems.
    5. Assist PEBA in identifying the following types of problems:
       - * duplicates;
         * missing primary-foreign key relationships;
         * redundant data;
         * soundex matches for the same data;
         * incorrect formatting;
         * incorrect data based on a numeric range;
         * incorrect data based on relationship rules;
         * non-unique keys;
         * missing data;
         * incomplete data elements based on PEBA business rules, policies, and statutes;
         * referential integrity;
         * orphaned records (records that should be associated to others but are not);
         * childless parents (records that should have related records but do not) based on PEBA business rules, policies, and statutes;
         * valid codes for specific instances (only specific codes are valid for a given situation);
         * data value commonality (same code used multiple places with varying values);
         * invalid date ranges (when the dates do not conform to business or logical standards);
         * invalid/incomplete dates;
         * invalid code values;
         * code value outliers outside of expected values;
         * code value anomalies based on PEBA business rules, policies, and statutes;
         * amount totals vs. summarized detail;
         * amount deltas based on PEBA business rules, policies, and statutes; and,
         * other ad hoc or miscellaneous problems.
    6. Assist PEBA with the development of a common Employer data model.
    7. Assist PEBA with the development of a common Member/Survivor/Beneficiary/Alternative Payee data model.
    8. Assist PEBA with the development of a common Member ID.
    9. Assist PEBA with the development of a Member matching applications that will help identify unique members across the legacy systems.
    10. Assist PEBA with the development of a common Login ID, which will include the reconciliation of existing security roles/profiles and authorization schemes.
    11. Assist PEBA with the development of a common Member Demographic data model, which will include, but not be limited to, addresses and other contact information.
    12. Conduct analysis of the existing EDMS and EDM imaging/document management system.
    13. Identify the following types of problems with the imaging/document management systems:
        - * duplicates;
          * missing primary-foreign key relationships;
          * redundant data;
          * soundex matches for the same data;
          * incorrect formatting;
          * incorrect data based on a numeric range;
          * incorrect data based on relationship rules;
          * non-unique keys;
          * missing data;
          * incomplete data elements based on PEBA business rules, policies, and statutes;
          * referential integrity;
          * orphaned records (records that should be associated to others but are not);
          * childless parents (records that should have related records but do not) based on PEBA business rules, policies, and statutes;
          * valid codes for specific instances (only specific codes are valid for a given situation);
          * data value commonality (same code used multiple places with varying values);
          * invalid date ranges (when the dates do not conform to business or logical standards);
          * invalid/incomplete dates;
          * invalid code values;
          * code value outliers outside of expected values;
          * code value anomalies based on PEBA business rules, policies, and statutes;
          * amount totals vs. summarized detail;
          * amount deltas based on PEBA business rules, policies, and statutes; and,
          * other ad hoc or miscellaneous problems.
    14. Develop a common imaging/document management model.
    15. Assist PEBA in conducting an analysis of the existing Premium Billing & Insurance Accounting system:
        - * Identify all functions of current system that are expected to be in scope for conversion.
          * Evaluate key areas for completeness and consistency of data.
          * Query areas known to be problems in other implementations.
          * Identify the “Source of Truth” for data fields that exist in multiple legacy systems.
  1. **DATA CONVERSION INFRASTRUCTURE**

PEBA envisions the establishment of a data conversion environment to support the Data Profiling, Reconciliation and Cleansing of the legacy imaging/document data and to support the Staging of data for the new BAS.

The Contractor shall:

* + 1. In consultation with PEBA, recommend a data architecture for the data conversion environment.
    2. Recommend and provide configuration information for the following components:
* Server hardware
* Database software
* Virtual environments
* Hardware peripherals
* ETL tool
* All other required commodity software
  1. **BAS PROJECT PLANNING**

BAS Project Planning provides time for the Contractor to identify the procedures that they will use to interact with the BAS Contractor, PEBA, and any other Project Teams during the course of the project. It also overlaps with the Project Planning that must go on from the BAS Contractor and the other project teams, allowing the Contractor to have a properly integrated plan with the rest of the project. The goals of this phase are as follows:

* + - * Develop a data conversion strategy that integrates properly with the BAS Contractor’s implementation plan.
      * Prioritize with PEBA the order of the data to be cleansed.
      * Identify project milestones and resource needs throughout the project.
      * Establish procedures for all interfaces with the BAS Contractor and other project teams such as: data mapping, data conversion requirements collection and tracking, cycle run processing, reconciliation processing, data conversion testing, issue resolution, etc.
      * Develop a full project plan for data migration activities that can integrate with the project plan of the BAS Contractor and the master project plan for the BAS Project.
      * Agree on a glossary of terms that will be used to communicate throughout the project with the other project teams.

The Contractor shall:

* + 1. Develop a Data Conversion/Implementation project plan that feeds key points to the overall BAS project plan.
    2. Develop an overall Data Conversion/Implementation approach.
    3. Work with PEBA and the BAS Contractor to plan the overall conversion strategy.
    4. Work with PEBA to establish procedures for requirements gathering.
    5. Work with PEBA and the BAS Contractor to establish procedures for Issue Resolution.
    6. Work with PEBA and the BAS Contractor to establish Testing procedures.
    7. Work with BAS Contractor to establish plan for data conversion test cycle processing.
  1. **DATA CLEANSING**

PEBA will have primary responsibility to perform data cleansing, supported by the Contractor, with the common goal of providing the BAS Contractor with standardized and valid new system data. Typically, data cleansing involves loading legacy data from multiple data sources into a staging database and running validation and reconciliation reports. All data cleanup issues are identified, inventoried, prioritized, tracked, and eventually resolved. Programmatic cleansing and manual data cleanup are two methods to cleanse legacy data. A data cleansing plan will be defined, including cleansing items, priority, magnitude, and the recommended cleansing approach. It is envisioned that Data Cleansing will occur during both phases of the BAS implementation.

During Phase 1, the Contractor shall:

* + 1. Assist PEBA in developing and running Validation Queries against the Insurance & Retirement data sources.
    2. Assist PEBA in analyzing the results of the Insurance & Retirement Validation Queries for Root Cause.

* + 1. Assist PEBA in conducting data validation against all identified Insurance & Retirement data sources to identify the data that needs to be corrected.
    2. Assist PEBA in data Correction and Re-testing of the Insurance & Retirement Validation Queries.
    3. Assist PEBA in identifying and gathering data that does not exist in any legacy system but is required in the new system.
    4. Develop and run Validation Queries against the EDMS & EDM data sources.
    5. Analyze the results of the EDMS & EDM Validation Queries for Root Cause.
    6. Conduct data validation against all identified EDMS & EDM data sources to identify the data that needs to be corrected.
    7. Correct and Re-test of EDMS & EDM Validation Queries.
    8. Report EDMS & EDM Validation results to PEBA.
    9. Assist PEBA in developing and running Validation Queries against the Premium Billing & Accounting data sources.
    10. Assist PEBA in analyzing the results of the Premium Billing & Accounting Validation Queries for Root Cause.

* + 1. Assist PEBA in conducting data validation against all identified Premium Billing & Accounting data sources to identify the data that needs to be corrected.
    2. Assist PEBA in data Correction and Re-testing of the Premium Billing &Accounting Validation Queries.

During Phase 2, the Contractor shall:

* + 1. Assist PEBA in developing and running Validation Queries against the new BAS & Retirement data sources.
    2. Assist PEBA in analyzing the results of the new BAS & Retirement Validation Queries for Root Cause.

* + 1. Assist PEBA in conducting data validation against all identified new BAS & Retirement data sources to identify the data that needs to be corrected.
    2. Assist PEBA in data Correction and Re-testing of the new BAS & Retirement Validation Queries.

3.5.19 Develop and run Validation Queries against the EDMS & the new BAS data sources.

* + 1. Analyze the results of the EDMS & the New BAS Validation Queries for Root Cause.
    2. Conduct data validation against all identified EDMS & the New BAS data sources to identify the data that needs to be corrected.
    3. Correct and Re-test of EDMS & the new BAS Validation Queries.
    4. Report EDMS & the new BAS Validation results to PEBA.

Additionally, the Contractor shall:

* + 1. Provide a data analysis report (e.g., description of problem, data source, number of occurrences, impact on production data, type of fix that was applied, number of records fixed, and number of records unable to be fixed).
    2. Develop a Quality Assurance/Audit plan to ensure counts, dollars, etc.
    3. Provide reconciliation reports between legacy system sources and the Staging Database.
    4. Develop scripts needed to populate the staging database.
    5. Produce a data mapping schema for all the data sources being used to load the staging database and revise that schema as required throughout the design and testing phases.
    6. Produce a data dictionary for the staging database.
    7. Produce a data model of the staging database.
    8. Work with the BAS Contractor to map legacy system business dimensions to the new BAS. This also includes how missing data will be created, what data transformations are required, and what verifications will have to be performed.
  1. **DATA CONVERSION/IMPLEMENTATION**

PEBA will have primary responsibility for executing conversion activities with support from the Contractor. The data conversion process involves creating detailed data mapping, writing data conversion specifications, developing conversion programs or database scripts, unit and system testing, and verifying converted data results. Data conversion will consist of multiple conversion processes and programs, all producing reconciliation reports and data exceptions. The conversion programs, when completed, are sequenced into a data conversion execution schedule that is used to run mock data conversions. Mock conversion results, when loaded into the new system database, provide visibility to data conversion and data cleansing quality and accuracy.

The purpose of this phase is to get the data converted into the new BAS and identify any issues that may exist as a result of the conversion. The following are the data migration activities during Implementation:

* Conversion of data for Development (DEV), Quality Assurance (QA), and User Acceptance Testing (UAT)
* Conversion of data for Mock Conversions and/or parallel testing, if necessary
* Conversion of data for Production

The Contractor shall:

* + 1. Anonymize the test data populations.
    2. Provide support to BAS Contractor for items identified after production implementation that require data or information from the primary data sources.
    3. Provide support to the PEBA technical and business user communities to understand the changes in data as they are applied in the new environment vs. how they are applied in the old environment.
    4. Provide general support to the project team for any needs related to converted data.
    5. Identify and develop Automated Data Reconciliation and Comparison tools (i.e. scripts, queries, reports, etc.) that reconcile data from the legacy system to the new BAS.
    6. Develop and run queries/reports against processed data in the new BAS (e.g., employer transmittal report, etc.). Examples of the types of reports that may be required include:
       - * Comparison of the total number of processed payroll records in the legacy system and the new BAS.
         * Comparison of the amount of taxes after a payroll run.
         * Number of benefits processed.
         * Total number of interest records processed.
         * Detailed interest granted, by participant, contributions, interest posted.
    7. Provide the testing process, including the test plan, test cases, test scenarios, and expected results for the migration from the staging database to the new BAS database.
    8. Work with PEBA and the BAS Contractor in performing data dry run (mock) conversions as part of its testing, at least as often as monthly.
    9. Provide and develop automated processes (i.e., scripts) needed to populate the cleansing exception database.
    10. Develop audit trail and retain history (audit trail) of all data elements that are changed through migration.
    11. Provide 60 days of post Phase production support for each of the two (2) project phases.
    12. Assist PEBA in developing scripts which will correct and/or transform the extracted data from the legacy ADABAS data sources and place the data into a staging database, as applicable and appropriate.
    13. Assist PEBA in data/code value mapping.
    14. Assist PEBA in identifying test data populations.
    15. Assist PEBA with executing the data conversion scripts to populate the DEV, QA, and UAT environments.
    16. Assist PEBA with any bug fixes needed in the conversion scripts based on items identified during UAT.
    17. Assist PEBA with executing the data conversion scripts to populate the final Production environment.
    18. Develop scripts which will correct and/or transform the extracted data from the legacy imaging/document data sources and place the data into a staging database, as applicable and appropriate.
  1. **PROJECT MANAGEMENT**

Contractor shall designate a person to take on the Data Services project management role/responsibilities.

The Contractor’s Project Manager shall:

* + 1. Attend and report at PEBA Steering Committee, Board, and other project team meetings during the project, as required by PEBA.
    2. Report project status to PEBA’s Project Manager at intervals during the project work, including findings and recommendations, as follows:
       - * Weekly written reports which must include information on work completed, work planned for the following week, any preliminary findings, identified risks, and any issues to be addressed;
         * At scheduled deadline dates for the identified deliverables; and
         * At other times as needed at the discretion of PEBA and PEBA’s Project Manager.
    3. Develop Project Plan in coordination with PEBA and PEBA’s Project Manager for each major phase as defined in the Scope of Work.
    4. Provide weekly metrics against the project plan to measure the progress of the project.
    5. Assign resources and their efforts for each project phase with PEBA, and PEBA’s Project Manager, understanding that PEBA has the right to modify the amount of effort needed for each phase of the implementation process for project monitoring, quality assurance, and project management purposes.
    6. Provide minutes for meetings related to Data Services and deliver the minutes to PEBA within the time period as specified in the Project Schedule. The minutes shall, at a minimum, list the attendees, summarize the major topics discussed and include any action items and decision points.
    7. Provide an overall Data Services Project Schedule with key milestone dates within the first month of the contract.
    8. Update/revise Project Schedule with key milestone dates and an updated detailed data component project plan whenever there is an approved change to a key milestone date.
    9. Develop deliverables in accordance with PEBA guidelines and standards.
    10. Conduct a project kick-off meeting. During the kick-off meeting, the Contractor shall include an overview of the process, the deliverables to be produced, and the role PEBA staffing will play in each phase of the Data Services Project.
    11. Conduct a project close-out meeting. During the close-out meeting, the Contractor shall include a final status reporting of the project and identify any open or outstanding issues.
    12. Work with the BAS Contractor data conversion team and the BAS Contractor Project Manager as needed to appropriately facilitate the overall data conversion process.
  1. **DATA ARCHIVE**

The Contractor shall:

* + 1. Create a full data archive of all data extracted from the legacy systems, including data that is not converted. This system will utilize the database and user interface of PEBA’s selection.
    2. Identify which, if any, data that does not have to be converted into the new system, but needs to be properly archived. The Contractor will create a database application that clearly identifies the non-converted data and allows for access to this data through a user interface. The Contractor will provide a data dictionary that details the non-converted data.
  1. **STAFFING/KEY PERSONNEL AND ACCOUNT MANAGEMENT**

The Contractor shall:

* + 1. Use resources on the project that have no less than five (5) years professional work experience in the specific area of expertise for which they are being proposed.
    2. Use resources on the project that have at least one (1) year of employment history with the Contractor.
    3. Use technical resources that have experience in data migrations for public benefit systems and with environments and systems projects similar to that described in this RFP.
    4. Provide resources with fluent English language skills, both spoken and written.
    5. Provide knowledgeable technical expertise sufficient to implement the system. In addition, all supplied resources shall be authorized to work in the United States for the duration of the Contract.
    6. Maintain personnel levels and expertise sufficient to complete the required services and meet the requirements specified in this contract. PEBA believes that a crucial factor in the success of this contract is the continuity and teamwork of the Contractor’s staff and key personnel involved on this contract.
    7. Provide the key personnel designated in its proposal. No diversion should be made by the Contractor without the written consent of PEBA. Provide PEBA with immediate notice of the termination or transfer of any key personnel, the reason(s) for the termination or transfer, and an action plan for replacing the terminated or transferred employee. Key personnel should be replaced with personnel of substantially equal ability, knowledge and qualifications as evidenced by PEBA’s written approval.
    8. PEBA reserves the right to accept or reject any resource the Contractor proposes in support of the contract for any or no reason at our discretion.
    9. Provide PEBA, prior to replacing any key personnel, with the name and credentials of the proposed replacement(s). At PEBA’s request, an interview may be scheduled with the proposed key personnel replacement. Replacement of any key personnel designated in the Contractor’s proposal shall be approved, in writing, which may be withheld in its sole discretion, by PEBA prior to the proposed replacement(s) being assigned to this contract.
    10. In the event any Contractor personnel needs to be replaced for any reason, the Contractor shall facilitate the transition of responsibilities and knowledge to the replacement at no additional cost to PEBA and the Contractor shall not bill the replacement's time for the first two (2) weeks after the replacement is assigned to the contract or a longer period of time, if agreed to in a transition plan.
    11. Promptly and without delay remove or reassign any Contractor personnel or subcontractor personnel assigned to this contract found unacceptable by PEBA. Such request for removal or reassignment shall be based on grounds which are specified in writing to the Contractor and which are not discriminatory. The Contractor shall replace the employee within thirty (30) calendar days by another employee with acceptable experience and skills subject to the prior approval, in writing, of PEBA. Such approval will not be unreasonably withheld or delayed.
    12. Key personnel shall be present at PEBA premises no less than eighty percent (80%) of the Business Days for the duration of the portion of the Project for which they are responsible.

3.9.13 PEBA shall assign a Project Manager to assist the Contractor in coordinating all project management related efforts that involve PEBA resources and staff. The Project Manager shall be responsible for the following:

* + - 1. The identification, coordination, and acquisition of PEBA resources, as needed.
      2. Monitoring and reporting on the project schedule and delivery status, the quality of the deliverables, project issues and resolutions, and project risk status.
      3. The communication of project status to the PEBA Leadership Team.
      4. Holding regularly scheduled status meetings throughout the term of this contract. These meetings will involve all appropriate resources the PEBA Project Manager has identified for the specific work being done on the project.
      5. Serving as a single point of contact for all contract related communications, deliverable acceptance, payment approvals, and initial dispute management.
      6. Ensuring prompt payment to the Contractor upon reaching and attaining agreed upon deliverables and milestones.
  1. **GENERAL REQUIREMENTS**

The Contractor shall:

* + 1. Use PEBA provided and managed assets to perform their duties. If PEBA is expected to purchase tools and/or software licenses as part of these services, they must be included in the Business Proposal.
    2. Be prohibited from downloading data or taking data from PEBA assets.
    3. To ensure common vocabulary, explicitly define vocabulary used in their project lifecycle as the usage of words like testing, data profile, dry run, requirements, validation, migration, reconciliation, etc., that are unique to the Contractor’s practice.
    4. Conduct the data migration as a systematic and automated process. Whenever possible, automated methods must be used to cleanse, consolidate, validate, and transfer in the approach to converting data to the new BAS.
    5. PEBA must approve the security protocols used in the transfer of data between the contractor and any other party prior to the transfer of data. PEBA must also approve the third party receiving the data prior to data being transferred.
    6. Adhere to all PEBA standards, policies and procedures while on-site at PEBA and in all work performed with and for PEBA. Submit any request for an exception in writing, and PEBA must approve it in writing. Please see the document entitled PEBA Standards which may be found at: <https://procurement.sc.gov/vendor/contract-opps/other-solicitations/peba>
    7. Complete a due diligence process as requested by PEBA or a PEBA designated third party. This process may include a written questionnaire and in some cases could require an onsite visit from PEBA or a PEBA designated third party. In addition, PEBA may follow up on exceptions and qualified opinions that are identified in SOC reports.
    8. Have a criminal background check completed on Contractor’s assigned staff prior to accessing systems and/or applications that contain PEBA data. The background check shall be nationwide and, at a minimum, include federal, state, and county records where the Contractor’s staff member has resided for the past seven years. PEBA maintains the right to request a third party vendor or an individual who is involved with PEBA data and/or systems be removed from the further interaction with PEBA’s data and/or systems.
    9. Receive privacy and security training provided by PEBA prior to receiving access to PEBA information and assets. Contractor shall provide additional security and privacy training for all staff members who have access to systems and/or applications that contain PEBA data at least once annually.

**PART 4**

**MANDATORY MINIMUM QUALIFICATIONS**

PEBA believes that a Contractor does not have the capability of successfully and fully performing the contract unless it meets the mandatory minimum qualifications outlined below. Thus, in order to be qualified to receive an award, Offerors must meet the following mandatory minimum qualifications:

1. Offeror shall be a United States registered corporation for no less than ten (10) years with no history of bankruptcy or local, state, or federal litigation or judgment related to performance of contracted professional services.
2. Offeror must have a demonstrated record, as a company, of at least ten (10) years performing data migrations, data analysis, and data cleansing for pension systems and/or employee health & welfare benefit systems.
3. Offeror must have a proven record of successful completion of at least two (2) data conversion services for private, state or local public benefit modernization projects performed within the past six (6) years. The size of the project must meet or exceed the following characteristics:
   * The unique member record population was 150,000 or more;
   * The unique number of contributing employers was 100 or more; and,
   * 3 or more separate defined benefit plans were converted within the same project.

While PEBA believes that an Offeror who does not meet these minimum qualifications cannot successfully and fully perform the contract, Offerors are cautioned that the existence of these factors does not constitute a finding that an Offeror is responsible. In evaluating an Offeror’s responsibility, the State Standards of Responsibility [R.19-445.2125] and information from any other source may be considered. An Offeror must, upon request of the State, furnish satisfactory evidence of its ability to meet all contractual requirements. Unreasonable failure to supply information promptly in connection with a responsibility inquiry may be grounds for determining that you are ineligible to receive an award. S.C. Code Section 11-35-1810.

**PART 5**

**INFORMATION FOR OFFERORS TO SUBMIT**

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

1. One (1) original marked “original” and five (5) identical paper copies of your Technical Proposal.
2. One (1) labeled USB flash drive containing a copy of the Offeror’s Technical Proposal Response (in MS Word, MS Excel and/or PDF format where appropriate).
3. One (1) original marked “original” and five (5) paper copies of your Business Proposal.
4. One (1) labeled USB flash drives containing a copy of the Offeror’s Business Proposal.
5. One (1) USB flash drive labeled “original redacted” containing a redacted version of your original Technical Proposal.
6. One (1) USB flash drive labeled “original redacted” containing a redacted version of your original Business Proposal.

Both the Technical Proposal and the Business Proposal should be submitted separately and each marked respectively with: Section 5.1: Technical Proposal and Section 5.2: Business Proposal. No information from the Business Proposal should be included in the Technical Proposal.

Offerors are required to mark the original copy of their offer to identify any information that is exempt from public disclosure.  Offerors must do so in accordance with the clause entitled "Submitting Confidential Information."  In addition, Offerors should also submit one USB flash drive of their offer from which they have removed any information that they marked as exempt, i.e., a redacted copy.  The information redacted should mirror in every detail the information marked as exempt from public disclosure.  The redacted copy should (i) reflect the same pagination as the original, (ii) show the empty space from which information was redacted, and (iii) be submitted on a USB flash drive. File format shall be Microsoft Word 97 or later. Except for the redacted information, the USB flash drive must be identical to the original hard copy and accessible for reproduction by PEBA.

Offerors should submit the following information for purposes of evaluation. PEBA desires a detailed written submission so that it can make an accurate comparison of all proposals received. Please be specific in your answers. The Proposal shall include the following sections and shall be presented in the listed order:

**5.1 TECHNICAL PROPOSAL**

5.1.1 COVER PAGE

Offerors must submit a signed copy of the cover page (page one and two) with their offer. By submitting a proposal, Offeror agrees to be bound by all of the terms of the RFP. Offerors agree to hold their offer open for a minimum of one hundred twenty (120) calendar days after the Opening Date.

5.1.2 EXECUTIVE SUMMARY

An Executive Summary should be provided with the Offeror’s Proposal. The Executive Summary should include a brief description of the Offeror’s understanding of the scope of services and their ability to provide the required services. The Executive Summary should be signed by an individual who is authorized to commit the Offeror to the services and requirements as stated in this RFP.

**Single Statement of Acceptance**: Offerors should include a single statement of acceptance in their Executive Summary. The single statement of acceptance should declare that the Offeror fully understands, agrees to, and will comply with Part 1 Instructions to Offerors-A. General Instructions, Part 1 Instructions to Offerors-B. Special Instructions, Part 2 Scope of Proposal, Part 3 Scope of Work, Part 7 Terms and Conditions-A. General, and Part 7 Terms and Conditions-B. Special. Please note that the State considers any proposal containing deviations, exceptions or caveats to the RFP that have not been submitted for consideration during the question and answer phase, and adopted by PEBA, as unacceptable.

**Mandatory Minimum Qualification:** Offerors should provide detailed information to clearly establish that the Offeror meets the mandatory minimum qualifications outlined in Part 4, Mandatory Minimum Qualifications. Offerors should include this detailed information in their Executive Summary. Any Offeror not meeting the mandatory minimum qualifications will not be considered for award, and therefore will not be evaluated.

**Subcontracting:** Offerors should identify any subcontractor(s) by name, define the relationship, the services to be performed by the subcontractor, and the years of experience. The Offeror’s contract with the subcontractor(s) should require the subcontractor(s) to comply with all of the requirements contained in this RFP.

The Offeror may use subcontractor(s) to provide some portion of the work, subject to the following conditions:

1. The Offeror may subcontract up to and including, but not more than, 50% of this contract, as measured by the dollar value of the services performed by the Offeror and subcontractor(s).
2. The Offeror shall retain responsibility for all services provided by the subcontractor(s).
3. The subcontractor(s) shall be available to meet with PEBA no less than annually, at PEBA’s discretion, to discuss the work of the subcontractor(s). The cost of the subcontracted service shall be made available to PEBA at PEBA’s request.

5.1.3 TABLE OF CONTENTS

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

* + 1. OFFEROR’S APPROACH

Offerors should describe their approach to providing Data Conversion & Bridging Services under this contract. Offerors, in describing their approach, should, at a minimum, restate each of the items below and provide their detailed response (approach) to that item immediately thereafter.

1. Describe Your approach to meeting the requirements outlined in Part 3 Scope of Work of this RFP (contract). Include Your methodology for data migration and data cleansing, as well as Your methodology for project management and control of data migration activities and risk management.
2. Describe Your approach for profiling, cleansing, and migration of the legacy data. Your approach should, at a minimum:
   * + - * Clearly identify the approach involved for each phase of the project.
         * Ensure that adequate documentation is in place so that PEBA has the ability to maintain all rights and permissions to the implemented data profiling and cleansing process in order to operate and maintain it.
         * Include a plan to perform data testing during the Data Cleansing Phase.
         * Describe how You will work with the BAS Contractor to perform data testing and resolve issues during the Data Migration and Implementation phases.
         * Describe the use of all databases used in Your approach such as staging and cleansing exception databases.

(c) Describe Your methodology with data validation and reconciliation. Include the type of validation that will be performed, type of queries and reports that will be required, and the key data elements that must be reconciled.

1. Provide a project plan with Gantt chart of Your approach that includes the following:
   * + - * Breakdown of tasks by major project phase as defined in the RFP and by data planning, analysis, profiling, and conversion activity (i.e., Phase 1 Data Profiling, Phase 1 Data Cleansing, etc.).
         * Within each phase, identify the main activities to be completed with estimated start and end dates.
         * Each activity should identify the Offeror’s staff that will be required to complete the activity.

(e) Describe how Your approach to data cleansing and data migration differs from other firms? Is there anything about the services You offer that distinguishes You from other firms?

Describe Your approach/process for ensuring the data validation rules used are in compliance with PEBA rules and relevant statutes.

Describe how You measure the success of the data cleansing and data migration efforts.

Describe Your approach to handling the conversion of SSNs and other private data. Provide details as to how this is handled when You are migrating data from one staging area to another staging area versus what is done during dry runs.

Describe how You anonymize PII/PHI data for purposes of creating test data populations.

Provide a diagram depicting Your data conversion approach, including the ETL process, the data cleansing process, data validation and reconciliation process, the staging process, how the staging database will be converted to the BAS software vendor's intermediate tables, etc.

Describe Your approach to merging and reconciling multiple document imaging systems.

Describe how You handle match and reconcile member records in the absence of a reliable common key.

Describe your expectations regarding PEBA’s role in the entire data migration process (data profiling, data cleansing, etc.) For each task that utilizes PEBA staff, identify the role, number of people, type of skills/knowledge required, and the approximate number of hours expected each week required by PEBA staff.

Attach a sample Data Mapping document from one of Your previous BAS conversions or similar projects.

1. Describe the automated tools and software that will be required and used, including any expectations for software purchases/licensing by PEBA. Include a detailed cost exhibit with Your Business Proposal (please see 5.2 Business Proposal (b)).
2. Indicate the percentage of time that resources will be expected to be onsite at PEBA. How many resources will be onsite? Please indicate expectations as to desk space, supply requirements, system access requirements, etc.
3. Describe how You handle data conversion code management.
4. Describe the minimum infrastructure that is needed to support the data profiling and cleansing project.
5. Provide a complete Service Provider Security Assessment Questionnaire (Attachment 3), with your response.

5.1.5 OFFEROR’S EXPERIENCE AND ABILITY TO PERFORM

Offerors should describe, in detail, their experience and ability to perform. Offerors, in describing their experience and ability to perform, should restate each of the items below and provide their response to that item immediately thereafter.

1. Describe Your qualifications and experience with data profiling, data cleansing, and data migration specifically for pension systems and employee health & welfare systems.
2. List all of Your data profiling, data cleansing, and data migration wins over $500,000 in contract value in the last five (5) years. Include:
   * + - * Name of organization;
         * Brief description of the project;
         * Indicate whether the organization is public sector or not;
         * Indicate whether Pension data profiling, data cleansing, and data migration was within the scope of the project;
         * If a Pension data related project, indicate the target system (Vendor/System/Version);
         * Indicate whether Health & Welfare data profiling, data cleansing, and data migration was within the scope of the project;
         * If a Health & Welfare data related project, indicate the target system (Vendor/System/Version); and,
         * Indicate whether data bridging and/or a multiple phased data conversion was within the scope of the project.
3. Describe data conversions You have done for at least two (2) different target COTS-type systems where you worked with the target vendor in delivering staged data and/or executing the conversion completely from source systems directly to the target system database.
4. Describe data conversions You have done on at least two (2) different projects that included complex transformations, on very large data sets with targets or sources that have more than 1,000,000 rows in a single target or source. You may use a project or projects described for a previous question, focusing on the relevant factors for this question.
5. Describe data conversions You have done for a least two (2) different projects that included multiple phases of data conversion and data bridging between the new system and legacy systems. You may use a project or projects described for a previous question, focusing on the relevant factors for this question.
6. Describe data cleansing functions You have conducted for at least two (2) different projects where You were responsible for defining, designing, and implementing the varying styles of data cleansing methods including the use of automated processes and project managing user and temporary resources to achieve manual cleansing goals. This experience should also include the definition and implementation of a data cleansing approach and the creation of scripts and reports to identify and communicate the detailed records that require cleansing.
7. Describe Your experience merging and reconciling multiple document imaging systems.
8. Provide a description of a data conversion You conducted where the source and target systems were developed by different companies and different teams. Conversions to support upgrades, or version shifts, of the same software do not qualify for this item.
9. Indicate Your experience with ADABAS and Natural Language.
10. Indicate Your experience with SAP specifically converting data into and from SAP.
11. Indicate Your experience with Team IA’s EDM system
12. Provide a list of at least three (3) references from clients for whom You have done work. Include at a minimum:

* The reference name, name of the person to contact, title, address, e-mail address and telephone number.
* A description of the services provided.
* The length of the contract including the start and end date.
* Key personnel assigned to reference engagement that will be designated for work per this RFP.
* Your resource/staffing commitment.

References will be contacted and sent a written reference survey. As such, Your submitted references should be agreeable to completing and returning PEBA’s written reference survey.

1. Provide specific detailed information regarding whether Your company has been subject to any sanctions or enforcement action related to legal or regulatory issues including but not limited to privacy compliance, HIPPA compliance, civil or criminal sanctions, or enforcement actions.
2. Provide specific detailed information regarding any and all situations where a contract has been canceled or in which a contract was not renewed due to alleged fault on the part of Your company.
3. Provide specific detailed information regarding any and all situations where Your company has defaulted on a contract to provide data profiling, cleansing, and migration services.
4. Provide specific detailed information regarding any legal action(s), including currently pending actions against Your company in the past seven (7) years.
5. For any similar project completed within the last three (3) years, indicate any time where You caused the delivery schedule to increase by more than 90 days from the original schedule over the life of the project. Describe the situation, circumstances, variances, and other relevant information to explain the reason(s) for the variance.
6. In the last three (3) years, have You had a project or contract terminated prior to successful conclusion? If so, please describe the circumstances.
7. Have You had any instance of a data breach or data loss? If yes, please describe the nature of the breach/loss and the manner in which the breach/loss was rectified.
8. What percentage of gross revenues does the sales volume for data profiling, data cleansing and data migration services represent?
9. Describe Your general level of business that is devoted to the support of large public sector pension plan and/or public sector health & welfare plans.
10. Indicate Your company’s professional employee turnover for the last five (5) years in terms of number of employees who have left vs. the number hired. Also, describe situations where former consultants have gone to work for pension and/or health & welfare plans or where You have hired consultants from pension and/or health & welfare plans.
11. Discuss in general Your company’s competitive advantage(s) over other firms in the pension benefits administration consulting industry. Why should PEBA select Your company?
12. What was Your company’s average annual gross revenue for data profiling, data cleansing and data migration services for the previous three (3) fiscal years?
13. Describe any recent or pending mergers, acquisitions, or re-organizations that have been or may be encountered by Your company in the next 12 – 36 months and the anticipated impact of such events.
14. What was Your company’s annual gross revenue during the last three fiscal years? If 2017 is not yet available, provide an estimate for FY 2017 and include FY 2014.
15. Attach a copy of Your company’s audited financial statements for the last two years.
16. Attach a description of Your ability to finance additional costs that would be incurred by You in the event You are awarded a contract resulting from this RFP. State the amount You would need to borrow, and provide documentation from Your lender stating its willingness to lend such amount to You.
17. Provide a detailed company overview and history. Include Your company’s principal business, ownership, number of employees regularly employed, and number of offices and locations. State the year Your company was formed and the year You began providing data profiling, cleansing, and migration services. Include any pending plans for Your company’s expansion, relocation, consolidation, merger, acquisition, or sale.
18. Outline and describe the nature of any subcontractors, business relationships, partnerships, or co-ownership partnerships currently in place. Describe any ongoing responsibilities (financial, strategic, or otherwise) currently in place or that are a result of these relationships.
19. How many employees do You have associated with data profiling, data cleansing and data migration services?
    * + - * In the United States?
          * Outside the United States?
20. Provide information about any accreditations, certifications, or industry designations Your company currently holds, and/or have been awarded in the past three (3) years.
21. Location of the office that will serve as the primary contact during this contract.
    * 1. OFFEROR’S STAFFING/KEY PERSONNEL
22. Provide resumes of Your key personnel that will be assigned to this project showing employment history, education, years of experience, relevant certifications, information regarding comparable projects worked (description of project and responsibilities, dates of assignment) and project role. Ideally, the Offeror should propose a team who have worked together previously in similar pension or health & welfare benefits administration project for comparable clients (preferably large, multi-plan, multi-employer public sector) while in the Offeror’s employment (please see 3.9.2).
23. Provide an organizational chart. Identify the key personnel that You propose to be involved in the project on this chart.

(c) List the names of key personnel to be assigned to this project with a description of their role and responsibilities, their location by city, the percentage of time they would be committed to this project, and the percentage of time that is expected to be onsite vs. offsite.

* + 1. ORAL PRESENTATIONS

Each Offeror may be required to make an Oral Presentation covering their submitted proposal. Oral Presentations will be made in-person at PEBA’s offices and any travel expenses incurred by the Offeror are the Offeror’s sole responsibility. The time allotted per individual Offeror shall not exceed two and one-half hours to include the question and answer period. PEBA will make every effort to notify the responsive and responsible Offerors in ample time to schedule a specific date/time for presentations and to help minimize the Offerors travel expenses. PEBA requires that the presentation be given by the key personnel identified in the Offerors proposal. The purpose of the Oral Presentation is to enhance the evaluation panel's understanding of the information that was provided in the Offeror's submitted proposal. The presentation should be conducted in a straightforward manner in order to secure a clear and meaningful understanding of the Offeror’s submitted proposal. Offerors will not be allowed to distribute or introduce any new information or materials that are not already included in their proposal response. The Offeror may neither ask questions, divulge any cost information, nor receive preliminary assessments on its proposal from the members of the panel. Oral Presentations do not constitute clarifications, discussions, or negotiations.

Oral Presentation Agenda Format

Topic Time Limit

1. Introduction period. 15 Min
2. Presentation of Offeror’s proposed approach to the contract. 45 Min
3. Overview of the experience that the proposed team has  
   working together on previous engagements. 30 Min
4. Question and Answer Period. 60 Min
   1. **BUSINESS PROPOSAL**

PEBA desires to obtain the required services in the most cost-efficient manner possible. PEBA’s preference is to allow offerors to utilize their standard business processes and service models in providing these services, so as to avoid unnecessarily increasing the cost of the services. In particular PEBA prefers to take advantage of proven service delivery models and business processes that have proven effective in other organizations.

1. Offerors should provide their not-to-exceed hourly rates to be charged for all personnel positions specifically identified in section 5.1.5 (a) who will be billed to PEBA during the term of this contract. The proposed hourly rates shall be inclusive of all costs (travel, meals, lodging, equipment, and any other related expenses) to provide client services as outlined in the scope of work. Hourly rates will be fixed for the duration of the contract period. Offeror’s proposed hourly rates will not be an evaluation factor but may be utilized during the negotiation process.

Offerors should list the individuals (employee name/title) under the appropriate labor classification in the table below.

|  |  |
| --- | --- |
| ***Labor Classification*** | ***Hourly Rate*** |
| *Principal Consultant (Executive, Director, or Principal Consultant)* | $ |
|  |  |
| *Senior Consultant (Senior Business Analyst, Senior Project Manager, Senior Technical Architect)* | $ |
|  |  |
| *Consultant (Business Analyst, Project Manager, Technical Architect)* | $ |
|  |  |
| *Associate Consultant (Technical Writer, Training and Documentation Support)* | $ |
|  |  |
| *Secretarial / Clerical* | $ |
|  |  |
| *Administrative Support* | $ |

In order to ensure effective direction of the requirements outlined in 3.1 through 3.8 above, a statement of work, unique to each three (3) month period of work, shall be established by PEBA and the Contractor prior to the performance of each period of work. The statement of work shall include, at a minimum, detailed descriptions of all of the tasks to be performed to fully complete the requirements, which personnel from the Contractor’s proposed personnel will be assigned to the requirements and their corresponding hourly rates, the total number of hours to fully complete the requirements and a clear definition of all deliverables.

1. If the Offeror requires PEBA to purchase identified tools, hardware, infrastructure and software, please provide a detailed cost exhibit including the cost expectations for all tools, hardware, infrastructure and software. Also include any expected licensing, royalties, support fees or other ongoing cost associated the identified tools, hardware, infrastructure and software. Also note whether any identified tools, hardware, infrastructure and software are proprietary.

**PART 6**

**AWARD CRITERIA**

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

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

1. Offeror’s Approach (the evaluation panel will use the information submitted in response to Part 5, Information For Offerors To Submit, 5.1.4 Offeror’s Approach, (a) through (s) to evaluate this criterion. Each evaluation panel member will assign points to this criterion subjectively).
2. Offeror’s Experience and Ability to Perform (the evaluation panel will use the information submitted in response to Part 5, Information For Offerors To Submit, 5.1.5 Offeror’s Experience and Ability to Perform, (a) through (hh) to evaluate this criterion. Each evaluation panel member will assign points to this criterion subjectively).
3. Offeror’s Staffing/Key Personnel (the evaluation panel will use the information submitted in response to Part 5, Information For Offerors To Submit, 5.1.6 Offeror’s Staffing/Key Personnel, (a) through (c) to evaluate this criterion. Each evaluation panel member will assign points to this criterion subjectively).

**PART 7**

**TERMS AND CONDITIONS -- A. GENERAL**

**7.1 ASSIGNMENT, NOVATION, AND CHANGE OF NAME, IDENTITIY, OR STRUCTURE (FEB 2015):** (a) Contractor shall not assign this contract, or its rights, obligations, or any other interest arising from this contract, or delegate any of its performance obligations, without the express written consent of the Procurement Officer. The foregoing restriction does not apply to a transfer that occurs by operation of law (e.g., bankruptcy; corporate reorganizations and consolidations, but not including partial asset sales). Notwithstanding the foregoing, Contractor may assign monies receivable under the contract provided that the state shall have no obligation to make payment to an assignee until thirty (30) days after Contractor (not the assignee) has provided the Procurement Officer with (i) proof of the assignment, (ii) the identity (by contract number) of the specific state contract to which the assignment applies, and (iii) the name of the assignee and the exact address or account information to which assigned payments should be made. (b) If Contractor amends, modifies, or otherwise changes its name, its identity (including its trade name), or its corporate, partnership or other structure, or its FEIN, Contractor shall provide the Procurement Officer prompt written notice of such change. (c) Any name change, transfer, assignment, or novation is subject to the conditions and approval required by Regulation 19-445.2180, which does not restrict transfers by operation of law.

**7.2 BANKRUPTCY – GENERAL (FEB 2015):** (a) Notice. In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to PEBA.  This notification shall be furnished within two (2) days of the initiation of the proceedings relating to the bankruptcy filing.  This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of all State contracts against which final payment has not been made.  This obligation remains in effect until final payment under this contract.  (b) Termination. This contract is voidable and subject to immediate termination by the State upon the Contractor's insolvency, including the filing of proceedings in bankruptcy.

**7.3 CHOICE-OF-LAW (JAN 2006):** The Agreement, any dispute, claim, or controversy relating to the Agreement, and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except its choice of law rules.  As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by this solicitation.

**7.4 CONTRACT DOCUMENTS & ORDER OF PRECEDENCE (FEB 2015):** (a) Any contract resulting from this solicitation shall consist of the following documents:  (1) a Record of Negotiations, if any, executed by you and the Procurement Officer,  (2) the solicitation, as amended,  (3) documentation of clarifications [11-35-1520(8)] or discussions [11-35-1530(6)] of an offer, if applicable, (4) your offer, (5) any statement reflecting the state's final acceptance (a/k/a "award"), and (6) purchase orders. These documents shall be read to be consistent and complimentary.  Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above.  (b) The terms and conditions of documents (1) through (5) above shall apply notwithstanding any additional or different terms and conditions in any other document, including without limitation, (i) a purchase order or other instrument submitted by the State, (ii) any invoice or other document submitted by Contractor, or (iii) any privacy policy, terms of use, or end user agreement. Except as otherwise allowed herein, the terms and conditions of all such documents shall be void and of no effect.  (c) No contract, license, or other agreement containing contractual terms and conditions will be signed by PEBA.  Any document signed or otherwise agreed to by persons other than the Procurement Officer shall be void and of no effect.

**7.5 DISCOUNT FOR PROMPT PAYMENT (JAN 2006):** (a) Discounts for prompt payment will not be considered in the evaluation of offers.  However, any offered discount will form a part of the award, and will be taken if payment is made within the discount period indicated in the offer by the offeror.  As an alternative to offering a discount for prompt payment in conjunction with the offer, offerors awarded contracts may include discounts for prompt payment on individual invoices. (b) In connection with any discount offered for prompt payment, time shall be computed from the date of the invoice.  If the Contractor has not placed a date on the invoice, the due date shall be calculated from the date the designated billing office receives a proper invoice, provided the State annotates such invoice with the date of receipt at the time of receipt.  For the purpose of computing the discount earned, payment shall be considered to have been made on the date that appears on the payment check or, for an electronic funds transfer, the specified payment date.  When the discount date falls on a Saturday, Sunday, or legal holiday when Federal Government offices are closed and Government business is not expected to be conducted, payment may be made on the following business day.

**7.6**  **DISPUTES (JAN 2006):** (1) Choice-of-Forum.  All disputes, claims, or controversies relating to the Agreement shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in the Court of Common Pleas for, or a federal court located in, Richland County, State of South Carolina.  Contractor agrees that any act by the Government regarding the Agreement is not a waiver of either the Government's sovereign immunity or the Government's immunity under the Eleventh Amendment of the United States’ Constitution.  As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by this solicitation. (2) Service of Process. Contractor consents that any papers, notices, or process necessary for the initiation or continuation of any disputes, claims, or controversies relating to the Agreement; for any court action in connection therewith; or for the entry of judgment on any award made, may be served on Contractor by certified mail (return receipt requested) addressed to Contractor at the address provided as the Notice Address on Page Two or by personal service or by any other manner permitted by law, in or outside South Carolina.  Notice by certified mail is deemed duly given upon deposit in the United States mail.

**7.7**  **EQUAL OPPORTUNITY (JAN 2006):** Contractor is referred to and shall comply with all applicable provisions, if any, of Title 41, Part 60 of the Code of Federal Regulations, including but not limited to Sections 60-1.4, 60-4.2, 60-4.3, 60-250.5(a), and 60-741.5(a), which are hereby incorporated by reference.

**7.8**  **FALSE CLAIMS (JAN 2006):** According to the S.C. Code of Laws Section 16-13-240, "a person who by false pretense or representation obtains the signature of a person to a written instrument or obtains from another person any chattel, money, valuable security, or other property, real or personal, with intent to cheat and defraud a person of that property is guilty" of a crime.

**7.9**  **FIXED PRICING REQUIRED (JAN 2006):** Any pricing provided by Contractor shall include all costs for performing the work associated with that price. Except as otherwise provided in this solicitation, Contractor's price shall be fixed for the duration of this contract, including option terms.  This clause does not prohibit Contractor from offering lower pricing after award.

**7.10 NO INDEMNITY OR DEFENSE (FEB 2015):** Any term or condition is void to the extent it requires the State to indemnify, defend, or pay attorney’s fees to anyone for any reason.

* 1. **NOTICE (JAN 2006):** (A) After award, any notices shall be in writing and shall be deemed duly given (1) upon actual delivery, if delivery is by hand, (2) upon receipt by the transmitting party of automated confirmation or answer back from the recipient's device if delivery is by telex, telegram, facsimile, or electronic mail, or (3) upon deposit into the United States mail, if postage is prepaid, a return receipt is requested, and either registered or certified mail is used.  (B) Notice to Contractor shall be to the address identified as the Notice Address on Page Two.  Notice to the state shall be to the Procurement Officer's address on the Cover Page.  Either party may designate a different address for notice by giving notice in accordance with this paragraph.
  2. **OPEN TRADE (JUN 2015)**: During the contract term, including any renewals or extensions, Contractor will not engage in the boycott of a person or an entity based in or doing business with a jurisdiction with whom South Carolina can enjoy open trade, as defined in SC Code Section 11-35-5300.

**7.13 PAYMENT & INTEREST (FEB 2015):** (a) The State shall pay the Contractor, after the submission of proper invoices or vouchers, the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified herein, including the purchase order, payment shall not be made on partial deliveries accepted by the Government. (b) Unless otherwise provided herein, including the purchase order, payment will be made by check mailed to the payment address on “Page Two.” (c) Notwithstanding any other provision, payment shall be made in accordance with S.C. Code Section 11-35-45, or Chapter 6 of Title 29 (real property improvements) when applicable, which provides the Contractor’s exclusive means of recovering any type of interest from the Owner. Contractor waives imposition of an interest penalty unless the invoice submitted specifies that the late penalty is applicable. Except as set forth in this paragraph, the State shall not be liable for the payment of interest on any debt or claim arising out of or related to this contract for any reason. (d) Amounts due to the State shall bear interest at the rate of interest established by the South Carolina Comptroller General pursuant to Section 11-35-45 (“an amount not to exceed fifteen percent each year”), as amended, unless otherwise required by Section 29-6-30. (e) Any other basis for interest, including but not limited to general (pre- and post-judgment) or specific interest statutes, including S.C. Code Ann. Section 34-31-20, are expressly waived by both parties. If a court, despite this agreement and waiver, requires that interest be paid on any debt by either party other than as provided by items (c) and (d) above, the parties further agree that the applicable interest rate for any given calendar year shall be the lowest prime rate as listed in the first edition of the Wall Street Journal published for each year, applied as simple interest without compounding. (f) The State shall have all of its common law, equitable and statutory rights of set-off.

**7.14 PUBLICITY (JAN 2006):** Contractor shall not publish any comments or quotes by State employees, or include the State in either news releases or a published list of customers, without the prior written approval of the Procurement Officer.

**7.15 PURCHASE ORDERS (JAN 2006):** Contractor shall not perform any work prior to the receipt of a purchase order from PEBA. Purchase orders may be used to elect options available under this contract, e.g., quantity, delivery date, payment method, but are subject to all terms and conditions of this contract. Purchase orders may be electronic. No particular form is required. An order placed pursuant to the purchasing card provision qualifies as a purchase order.

**7.16** **IRAN DIVESTMENT ACT – ONGOING OBLIGATIONS – (JAN 2015)**: (a) You must notify the Procurement Officer immediately if, at any time during the contract term, you are added to the Iran Divestment Act List. (b) Consistent with Section 11-57-330(B), you shall not contract with any person to perform a part of the Work, if, at the time you enter into the subcontract, that person is on the then-current version of the Iran Divestment Act List.

**7.17 SURVIVAL OF OBLIGATIONS (JAN 2006):** The Parties' rights and obligations which, by their nature, would continue beyond the termination, cancellation, rejection, or expiration of this contract shall survive such termination, cancellation, rejection, or expiration, including, but not limited to, the rights and obligations created by the following clauses:  Indemnification - Third Party Claims, Indemnification - Intellectual Property, Contract Documents and Order of Precedence, HIPPA Compliance/Confidentiality and any provisions regarding warranty or audit.

**7.18** **TAXES (JAN 2006):** Any tax the Contractor may be required to collect or pay upon the sale, use or delivery of the products shall be paid by the State, and such sums shall be due and payable to the Contractor upon acceptance.  Any personal property taxes levied after delivery shall be paid by the State.  It shall be solely the State's obligation, after payment to Contractor, to challenge the applicability of any tax by negotiation with, or action against, the taxing authority. Contractor agrees to refund any tax collected, which is subsequently determined not to be proper and for which a refund has been paid to Contractor by the taxing authority.  In the event that the Contractor fails to pay, or delays in paying, to any taxing authorities, sums paid by the State to the Contractor, Contractor shall be liable to the State for any loss (such as the assessment of additional interest) caused by virtue of this failure or delay. Taxes based on the Contractor's net income or assets shall be the sole responsibility of the Contractor.

**7.19** **TERMINATION DUE TO UNAVAILABILITY OF FUNDS (JAN 2006):** Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefore.  When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be canceled.  In the event of a cancellation pursuant to this paragraph, Contractor will be reimbursed the resulting unamortized, reasonably incurred, nonrecurring costs.  Contractor will not be reimbursed any costs amortized beyond the initial contract term.

**7.20** **THIRD PARTY BENEFICIARY (JAN 2006):** This Contract is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns, and no other person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Contract as a third party beneficiary or otherwise.

**7.21** **WAIVER (JAN 2006):** The State does not waive any prior or subsequent breach of the terms of the Contract by making payments on the Contract, by failing to terminate the Contract for lack of performance, or by failing to strictly or promptly insist upon any term of the Contract.  Only the Procurement Officer has actual authority to waive any of the State's rights under this Contract.  Any waiver must be in writing.

**PART 7**

**TERMS AND CONDITIONS -- B. SPECIAL**

**7.22 BANKRUPTCY – GOVERNMENT INFORMATION (FEB 2015):** (a) All government information (as defined in the clause herein entitled “Information Security - Definitions”) shall belong exclusively to the State, and Contractor has no legal or equitable interest in, or claim to, such information. Contractor acknowledges and agrees that in the event Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, government information in its possession and/or under its control will not be considered property of its bankruptcy estate. (b) Contractor agrees to notify the State within forty-eight (48) hours of any determination that it makes to file for bankruptcy protection, and Contractor further agrees to turn over to the State, before such filing, all government information that is in Contractor’s possession in a format that can be readily utilized by the State. (c) In order to protect the integrity and availability of government information, Contractor shall take reasonable measures to evaluate and monitor the financial circumstances of any subcontractor that will process, store, transmit or access government information.

**7.23**  **CHANGES (JAN 2006):** (1) Contract Modification.  By a written order, at any time, and without notice to any surety, the Procurement Officer may, subject to all appropriate adjustments, make changes within the general scope of this contract in any one or more of the following:

(a)  drawings, designs, or specifications, if the supplies to be furnished are to be specially manufactured for the [State] in accordance therewith;

(b)  method of shipment or packing;

(c)  place of delivery;

(d)  description of services to be performed;

(e)  time of performance (i.e., hours of the day, days of the week, etc.); or,

(f)  place of performance of the services.  Subparagraphs (a) to (c) apply only if supplies are furnished under this contract.  Subparagraphs (d) to (f) apply only if services are performed under this contract.

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

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

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

**7.24** **COMPLIANCE WITH LAWS (JAN 2006):** During the term of the contract, Contractor shall comply with all applicable provisions of laws, codes, ordinances, rules, regulations, and tariffs.

**7.25** **CONFERENCE – PRE-PERFORMANCE (JAN 2006):** Unless waived by the Procurement Officer, a pre-performance conference between the Contractor, PEBA and Procurement Officer shall be held at a location selected by PEBA within five (5) days after final award, and prior to commencement of work under the contract. The responsibilities of all parties involved will be discussed to assure a meeting of the minds of all concerned. The Contractor or his duly authorized representative shall be required to attend at Contractor’s expense.

**7.26 CONTRACTOR'S LIABILITY INSURANCE-GENERAL (FEB 2015):** (a) Without limiting any of the obligations or liabilities of Contractor, Contractor shall procure from a company or companies lawfully authorized to do business in South Carolina and with a current A.M. Best rating of no less than A: VII, and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work and the results of that work by the Contractor, his agents, representatives, employees or subcontractors. (b) Coverage shall be at least as broad as:

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

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

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

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

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

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

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

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

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

**7.27** **CONTRACTOR’S LIABILITY INSURANCE–INFORMATION SECURITY AND PRIVACY (FEB 2015)**

[ASK QUESTIONS NOW: For products providing the coverages required by this clause, the insurance market is evolving. Our research indicates that the requirements stated herein reflect commercially-available insurance products. Any offeror having concerns with any specific requirements of this clause should communicate those concerns to the Procurement Officer prior to the adjournment of the Pre-Proposal Conference.]

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

(b) Coverage must include claims for:

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

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

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

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

(c) If the work includes content for internet web sites or any publications or media advertisements, coverage must also include claims for actual or alleged infringement of intellectual property rights, invasion of privacy, as well as advertising, media and content offenses.

(d) If the work includes software, coverage must also include claims for intellectual property infringement arising out of software and/or content (with the exception of patent infringement and misappropriation of trade secrets)

(e) Coverage shall have limits no less than five million ($5,000,000.00) dollars per occurrence and ten million ($10,000,000.00) dollars aggregate.

(f) If the insurance required by this clause is procured on a form affording “claims-made” coverage, then (i) all limits stated above as “per occurrence” shall be understood to mean “per claim” or “per occurrence,” as is consistent with the terms of the “claims-made” policy; and (ii) such claims-made insurance shall provide for a retroactive date no later than the date the contract is awarded.

(g) All terms of this clause shall survive termination of the contract and shall continue until thirty (30) days past the final completion of the work, including the performance of any warranty work. In addition, Contractor shall maintain in force and effect any “claims- made” coverage for a minimum of two (2) years after final completion of all work or services to be provided hereunder. Contractor shall purchase an extended reporting period, or “tail coverage,” if necessary to comply with the latter requirement.

(h) PEBA, its officers, officials, employees and volunteers, must be covered as additional insureds on the policy or policies of insurance required by this clause.

(i) For any claims related to this contract, the insurance coverage required by this clause shall be primary insurance as respects the State, PEBA, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the State, PEBA, or its officers, officials, employees and volunteers, shall be excess of the Contractor’s insurance and shall not contribute with it.

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

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

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

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

**7.28**  **CONTRACTOR'S OBLIGATION - GENERAL (JAN 2006):** The Contractor shall provide and pay for all materials, tools, equipment, labor and professional and non-professional services, and shall perform all other acts and supply all other things necessary, to fully and properly perform and complete the work. The Contractor must act as the prime contractor and assume full responsibility for any subcontractor's performance. The Contractor will be considered the sole point of contact with regard to all situations, including payment of all charges and the meeting of all other requirements.

**7.29** **DEFAULT (JAN 2006):** (a) (1) The State may, subject to paragraphs (c) and (d) of this clause, by written notice of default to the Contractor, terminate this contract in whole or in part if the Contractor fails to:

(i) Deliver the supplies or to perform the services within the time specified in this contract or any extension;

(ii) Make progress, so as to endanger performance of this contract (but see paragraph (a)(2) of this clause); or

(iii) Perform any of the other material provisions of this contract (but see paragraph (a)(2) of this clause).

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

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

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

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

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

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

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

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

**7.30** **ILLEGAL IMMIGRATION (NOV. 2008):** (An overview is available at www.procurement.sc.gov)  By signing your offer, you certify that you will comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws and agree to provide to the State upon request any documentation required to establish either:  (a) that Title 8, Chapter 14 is inapplicable to you and your subcontractors or sub-subcontractors; or (b) that you and your subcontractors or sub-subcontractors are in compliance with Title 8, Chapter 14. Pursuant to Section 8-14-60, "A person who knowingly makes or files any false, fictitious, or fraudulent document, statement, or report pursuant to this chapter is guilty of a felony, and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both."  You agree to include in any contracts with your subcontractors language requiring your subcontractors to (a) comply with the applicable requirements of Title 8, Chapter 14, and (b) include in their contracts with the sub-subcontractors language requiring the sub-subcontractors to comply with the applicable requirements of Title 8, Chapter 14.

**7.31** **HIPAA COMPLIANCE/CONFIDENTIALITY:** The Contractor shall keep confidential all information and material which has or will come into its possession or knowledge in connection with the performance of services under this contract; and will not release, use or disclose any such information without prior written consent of PEBA. In addition, the Contractor shall comply with all State and federal laws and regulations concerning the confidentiality of medical records, including, but not limited to, the Privacy Act of 1974, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and any federal regulations concerning the confidentiality of alcohol and drug abuse patient records. Furthermore, the Contractor shall adhere to the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and sign PEBA’s Business Associate Agreement (Attachment 4), prior to award of the contract, which has been constructed in accordance with the requirements of the HIPAA Privacy and Security Rules and the requirements of the HITECH Act.

**7.32 INDEMNIFICATION - THIRD PARTY CLAIMS - GENERAL (NOV 2011):** Notwithstanding any limitation in this agreement, and to the fullest extent permitted by law, Contractor shall defend and hold harmless Indemnitees for and against any and all suits or claims of any character (and all related damages, settlement payments, attorneys’ fees, costs, expenses, losses or liabilities) by a third party which are attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property arising out of or in connection with the goods or services acquired hereunder or caused in whole or in part by any act or omission of Contractor, its subcontractors, their employees, workmen, servants, agents, or anyone directly or indirectly employed by them or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by an Indemnitee, and whether or not such claims are made by a third party or an Indemnitee; however, if an Indemnitee’s negligent act or omission is subsequently determined to be the sole proximate cause of a suit or claim, the Indemnitee shall not be entitled to indemnification hereunder. Contractor shall be given timely written notice of any suit or claim. Contractor’s obligations hereunder are in no way limited by any protection afforded under workers’ compensation acts, disability benefits acts, or other employee benefit acts. This clause shall not negate, abridge, or reduce any other rights or obligations of indemnity which would otherwise exist. The obligations of this paragraph shall survive termination, cancelation, or expiration of the parties’ agreement. This provision shall be construed fairly and reasonably, neither strongly for nor against either party, and without regard to any clause regarding insurance. As used in this clause, “Indemnitees” means the State of South Carolina, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees.

# 7.33 INDEMNIFICATION - THIRD PARTY CLAIMS – DISCLOSURE OF INFORMATION (FEB 2015): (a) Without limitation, Contractor shall defend and hold harmless Indemnitees from and against any and all suits, claims, investigations, or fines (hereinafter “action”) of any character (and all related damages, settlement payments, attorneys' fees, costs, expenses, losses or liabilities) by a third party which arise out of or in connection with a disclosure of government information (as defined in the clause titled Information Security - Definitions) caused in whole or in part by any act or omission of Contractor, its subcontractors at any tier, their employees, workmen, servants, agents, or anyone directly or indirectly employed by them or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by an Indemnitee, and whether or not such action is brought by a third party or an Indemnitee, but only if the act or omission constituted a failure to perform some obligation imposed by the contract or the law.

(b) Indemnitee must notify Contractor in writing within a reasonable period of time after Indemnitee first receives written notice of any action. Indemnitee's failure to provide or delay in providing such notice will relieve Contractor of its obligations under this clause only if and to the extent that such delay or failure materially prejudices Contractors ability to defend such action. Indemnitee must reasonably cooperate with Contractor's defense of such actions (such cooperation does not require and is without waiver of an Indemnitees attorney/client, work product, or other privilege) and, subject to Title 1, Chapter 7 of the South Carolina Code of Laws, allow Contractor sole control of the defense, so long as the defense is diligently and capably prosecuted. Indemnitee may participate in Contractor’s defense of any action at its own expense. Contractor may not, without Indemnitee’s prior written consent, settle, compromise, or consent to the entry of any judgment in any such commenced or threatened action unless such settlement, compromise or consent (i) includes an unconditional release of Indemnitee from all liability related to such commenced or threatened action, and (ii) is solely monetary in nature and does not include a statement as to, or an admission of fault, culpability or failure to act by or on behalf of, an Indemnitee or otherwise adversely affect an Indemnitee. Indemnitee’s consent is necessary for any settlement that requires Indemnitee to part with any right or make any payment or subjects Indemnitee to any injunction.

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

(d) "Indemnitee" means the State of South Carolina, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees.

# 7.34 INDEMNIFICATION-INTELLECTUAL PROPERTY (JAN 2006): (a) Without limitation and notwithstanding any provision in this agreement, Contractor shall, upon receipt of notification, defend and indemnify the State, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees against all actions, proceedings or claims of any nature (and all damages, settlement payments, attorneys' fees (including inside counsel), costs, expenses, losses or liabilities attributable thereto) by any third party asserting or involving an IP right related to an acquired item. State shall allow Contractor to defend such claim so long as the defense is diligently and capably prosecuted. State shall allow Contractor to settle such claim so long as (i) all settlement payments are made by Contractor, and (ii) the settlement imposes no non-monetary obligation upon State. State shall reasonably cooperate with Contractor's defense of such claim. (b) In the event an injunction or order shall be obtained against State's use of any acquired item, or if in Contractor's opinion, the acquired item is likely to become the subject of a claim of infringement or violation of an IP right, Contractor shall, without in any way limiting the foregoing, and at its expense, either: (1) procure for State the right to continue to use, or have used, the acquired item, or (2) replace or modify the acquired item so that it becomes non-infringing but only if the modification or replacement does not adversely affect the specifications for the acquired item or its use by State. If neither (1) nor (2), above, is practical, State may require that Contractor remove the acquired item from State, refund to State any charges paid by State therefor, and take all steps necessary to have State released from any further liability. (c) Contractors obligations under this paragraph do not apply to a claim to the extent (i) that the claim is caused by Contractor's compliance with specifications furnished by the State unless Contractor knew its compliance with the State's specifications would infringe an IP right, or (ii) that the claim is caused by Contractor's compliance with specifications furnished by the State if the State knowingly relied on a third party's IP right to develop the specifications provided to Contractor and failed to identify such product to Contractor. (d) As used in this paragraph, these terms are defined as follows: "IP right(s)" means a patent, copyright, trademark, trade secret, or any other proprietary right. "Acquired item(s)" means the rights, goods, or services furnished under this agreement. "Specification(s)" means a detailed, exact statement of particulars such as a statement prescribing materials, dimensions, and quality of work. (e) Contractor's obligations under this clause shall survive the termination, cancellation, rejection, or expiration of this Agreement.

# 7.35 INFORMATION SECURITY - DEFINITIONS (FEB 2015): The following definitions are used in those clauses that cross reference this clause.

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

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

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

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

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

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

**Software** means any computer program accessed or used by PEBA or a third party pursuant to or as a result of this contract.

**Third party** means any person or entity other than PEBA, the Contractor, or any subcontractors at any tier.

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

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

# 7.36 INFORMATION SECURITY - SAFEGUARDING REQUIREMENTS (FEB 2015)

(a) *Definitions*. The terms used in this clause shall have the same meaning as the terms defined in the clause titled Information Security – Definitions. In addition, as used in this clause—

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

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

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

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

**Voice** means all oral information regardless of transmission protocol.

(b) *Safeguarding Information*. Without limiting any other legal or contractual obligations, Contractor shall implement and maintain reasonable and appropriate administrative, physical, and technical safeguards (including without limitation written policies and procedures) for protection of the security, confidentiality and integrity of the government information in its possession. In addition, Contractor shall apply security controls when the Contractor reasonably determines that safeguarding requirements, in addition to those identified in paragraph (c) of this clause, may be required to provide adequate security, confidentiality and integrity in a dynamic environment based on an assessed risk or vulnerability.

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

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

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

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

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

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

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

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

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

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

(d) *Subcontracts.* Any reference in this clause to Contractor also includes any subcontractor at any tier. Contractor is responsible for, and shall impose by agreement requirements at least as secure as those imposed by this clause on, any other person or entity that contractor authorizes to take action related to government information.

(e) *Other contractual requirements regarding the safeguarding of information.* This clause addresses basic requirements and is subordinate to any other contract clauses or requirements to the extent that it specifically provides for enhanced safeguarding of information or information systems.

**7.37** **INFORMATION SECURITY – DATA LOCATION (FEB 2015):** Contractor is prohibited from accessing, processing, transmitting, or storing government information, as defined in the clause titled Information Security, outside the United States. This obligation is a material requirement of this contract.

# 7.38 INFORMATION USE AND DISCLOSURE (FEB 2015): Except to the extent necessary for performance of the work, citizens should not be required to share information with those engaged by the government in order to access services provided by the government and such information should be used by those engaged by the government only to the extent necessary to perform the work acquired; accordingly, this clause addresses basic requirements for the Contractor’s use and disclosure of government information, which expressly includes, but is not limited to, information provided by or obtained from the citizens. Anonymizing information does not resolve the foregoing concern. This clause should be broadly interpreted to effectuate this intent. Every obligation in this clause is material. Absent express reference to this clause, this clause supersedes any other clause to the extent of any inconsistency unless and to the extent the other clause provides greater protection for government information.

(a) *Definitions.* The terms used in this clause shall have the same meaning as the terms defined in the clause titled Information Security – Definitions.

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

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

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

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

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

(g) *Privacy Policy & Applicable Laws*. Without limiting any other legal or contractual obligations imposed by this contract or the law, Contractor shall (a) comply with its own privacy policies and written privacy statements relevant to the work, and (b) comply with (1) all laws applicable to Contractor regarding government information, and (2) all laws and standards identified in the clause, if included, entitled Information Use and Disclosure – Standards.

(h) *Actions Following Disclosure*. Immediately upon discovery of a compromise or improper use of government information, Contractor shall take such action as may be necessary to preserve forensic evidence and eliminate the cause of the compromise or improper use. As soon as practicable, but no later than twenty-four hours after discovery, Contractor shall notify PEBA of the compromise or improper use, including a description of the circumstances of the use or compromise. As soon as practicable after discovery, Contractor shall undertake a thorough forensic investigation of any compromise or improper use and provide PEBA all information necessary to enable PEBA to fully understand the nature and extent of the compromise or improper use. With regard to any compromise or improper use of government information, Contractor shall: (1) provide any notification to third parties legally required to be provided such notice by Contractor, and if not (e.g., if legally required of PEBA), Contractor shall reimburse PEBA for the cost of providing such notifications; (2) pay all costs and expenses for at least two years of identity theft monitoring services (including without limitation, credit monitoring) and identity theft restoration services for any such affected individuals receiving notice where such services are appropriate given the circumstances of the incident and the nature of the information compromised; (3) undertake any other measures that are customary and reasonable for an entity to take when experiencing a similar disclosure, (4) pay any related fines or penalties imposed on PEBA, and (5) reimburse PEBA all costs reasonably incurred for communications and public relations services involved in responding to the compromise or improper use. Notwithstanding any other provision, contractor’s obligations pursuant to this item (h) are without limitation.

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

# 7.39 INFORMATION USE AND DISCLOSURE – STANDARDS (FEB 2015): To the extent applicable: (a) Breach of security of state agency data; notification; rights and remedies of injured parties; penalties; notification of Consumer Protection Division, S.C. Code Ann. § 1-11-490.

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

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

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

(e) Data Breach Notification, Proviso 117.110 of the 2015-2016 Appropriations Act. H.R. 3701 § 117.110. 121st Cong. (S.C. 2015) (Act 91), as revised in any future annual appropriations act.

**7.40** **LICENSES AND PERMITS (JAN 2006):** During the term of the contract, the Contractor shall be responsible for obtaining, and maintaining in good standing, all licenses (including professional licenses, if any), permits, inspections and related fees for each or any such licenses, permits and /or inspections required by the State, county, city or other government entity or unit to accomplish the work specified in this solicitation and the contract.

**7.41** **OWNERSHIP OF DATA & MATERIALS (JAN 2006):** All data, material and documentation prepared for the state pursuant to this contract shall belong exclusively to the State.

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

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

**7.43** **RELATIONSHIP OF THE PARTIES (JAN 2006):** Neither party is an employee, agent, partner, or joint venturer of the other.  Neither party has the right or ability to bind the other to any agreement with a third party or to incur any obligation or liability on behalf of the other party.

**7.44 RESTRICTIONS ON PRESENTING TERMS OF USE OR OFFERING ADDITIONAL SERVICES (FEB 2015):**

(a) Citizens, as well as public employees (acting in their individual capacity), should not be unnecessarily required to agree to or provide consent to policies or contractual terms in order to access services acquired by the government pursuant to this contract (hereinafter “applicable services”) or, in the case of public employees, to perform their job duties; accordingly, in performing the work, contractor shall not require or invite any citizen or public employee to agree to or provide consent to any end user contract, privacy policy, or other terms of use (hereinafter “terms of use”) not previously approved in writing by the procurement officer. Contractor agrees that any terms of use regarding applicable services are void and of no effect.

(b) Unless expressly provided in the solicitation, public contracts are not intended to provide contractors an opportunity to market additional products and services; accordingly, in performing the work, contractor shall not – for itself or on behalf of any third party – offer citizens or public employees (other than the procurement officer) any additional products or services not required by the contract.

(c) Any reference to contractor in items (a) or (b) also includes any subcontractor at any tier. Contractor is responsible for compliance with these obligations by any person or entity that contractor authorizes to take any action related to the work.

(d) Any violation of this clause is a material breach of contract. The parties acknowledge the difficulties inherent in determining the damage from any breach of these restrictions. Contractor shall pay the state liquidated damages of $1,000 for each contact with a citizen or end user that violates this restriction.

**7.45** **SERVICE PROVIDER SECURITY ASSESSMENT QUESTIONNAIRE - REQUIRED (FEB 2015)**

The Contractor must demonstrate that programs, policies and procedures are in place to adequately provide for the confidentiality, integrity, and availability of the information systems used by Contractor to process, store, transmit, and access all government information. In order for the State to accurately evaluate the strength and viability of the Contractor’s security policies, procedures and practices related to confidentiality, integrity and availability, Offerors must submit with their offers a thorough and complete written response to the Service Provider Security Assessment Questionnaire (“Response to SPSAQ”) attached to this Solicitation (Attachment 3), which must address all applicable organizations and applicable information systems. The terms used in this clause shall have the same meaning as the terms defined in the clause titled Information Security – Definitions.

**7.46** **SERVICE PROVIDER SECURITY REPRESENTATION (FEB 2015):** The following obligations are subordinate to any other contract clause to the extent the other clause specifically provides for enhanced safeguarding of government information, applicable information systems, or applicable organizations. Offeror (i) warrants that the work will be performed, and any applicable information system (as defined in the clause titled “Information Security - Definitions”) will be established and maintained in substantial conformity with the information provided in Offeror’s Response to SPSAQ; (ii) agrees to provide PEBA with prompt notice of any material variation in operations from that reflected in the Response to SPSAQ; and (iii) agrees to comply with all other obligations involving either information security or information use and disclosure imposed by the contract, notwithstanding any inconsistent statement in Offeror’s Response to SPSAQ. To the extent Offeror’s Response to SPSAQ does not conform to any other contractual requirements, PEBA’s lack of objection does not constitute a waiver.

**7.47** **TERM OF CONTRACT - EFFECTIVE DATE:**

Contract Term: **July 23, 2018** through **July 22, 2023**.

The effective date of this contract is the first day of the Contract Term as specified on the final statement of award. Regardless, this contract expires no later than the last date stated on the final statement of award.

**7.48** **TERMINATION FOR CONVENIENCE (JAN 2006):** (1) Termination.  The Procurement Officer may terminate this contract in whole or in part, for the convenience of the State.  The Procurement Officer shall give written notice of the termination to the Contractor specifying the part of the contract terminated and when termination becomes effective.

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

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

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

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

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

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

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

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

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

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

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

**PART 8**

**ATTACHMENTS TO SOLICITATION**

Attachment 1 - Important Tax Notice – Nonresidents Only

Attachment 2 - Offeror’s Checklist

Attachment 3 - Service Provider Security Assessment Questionnaire

Attachment 4 - Business Associate Agreement

Attachment 5 - Minority Participation Form

**Attachment 1**

IMPORTANT TAX NOTICE - NONRESIDENTS ONLY

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

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

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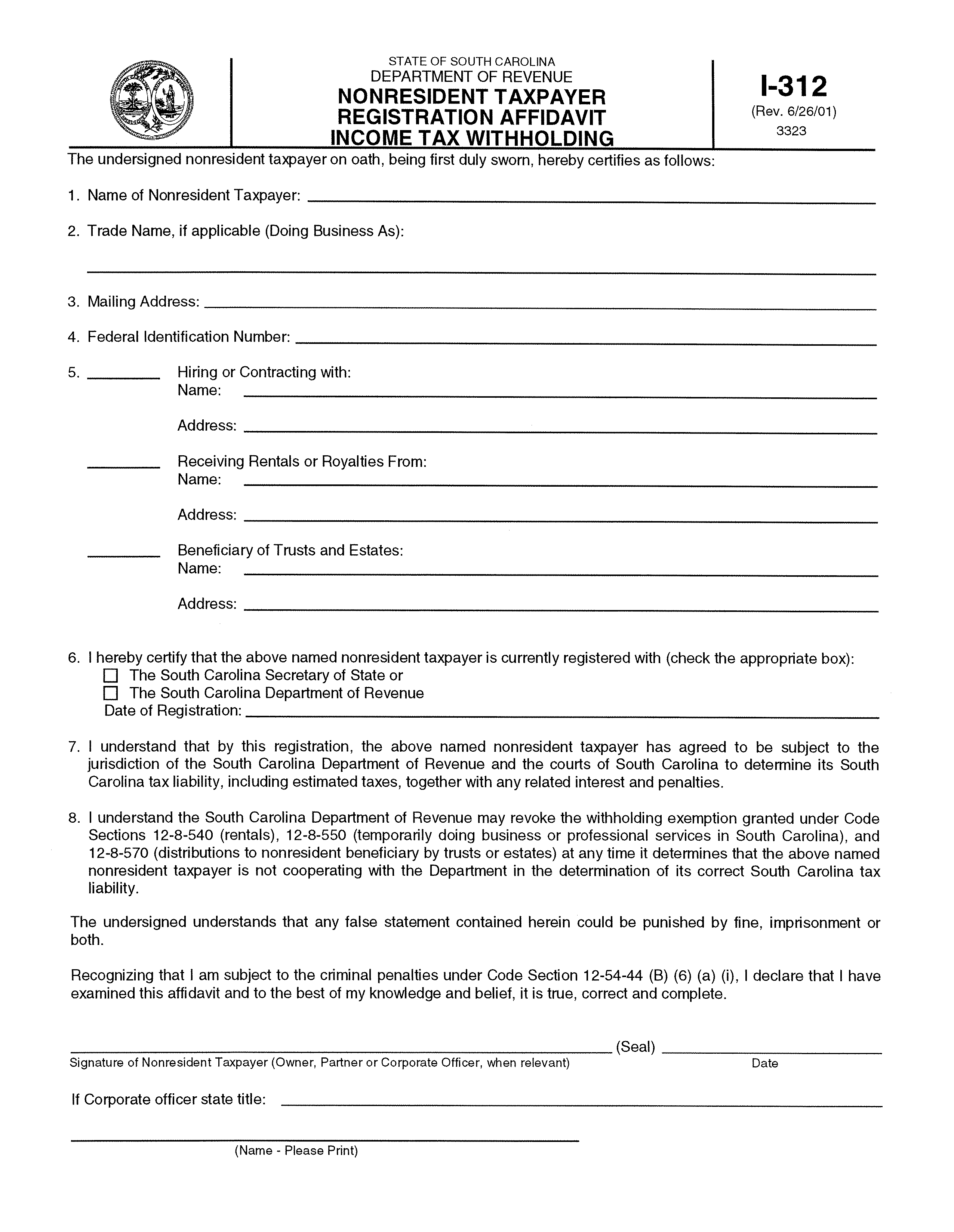
Section 12-8-540 requires persons making payment to a nonresident taxpayer of rentals or royalties at a rate of $1,200.00 or more a year for the use of or for the privilege of using property in South Carolina to withhold 7% of the total of each payment made to a nonresident taxpayer who is not a corporation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

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

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



**Attachment 2**

**OFFEROR'S CHECKLIST**

*AVOID COMMON PROPOSAL MISTAKES*

Review this checklist prior to submitting your proposal.

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

* Do not include any of your standard contract forms!
* unless expressly required, do not include any additional boilerplate contract clauses.
* Reread your entire proposal to make sure your proposal does not take exception to any of the state's mandatory requirements.
* Make sure you have properly marked all protected, confidential, or trade secret information in accordance with the instructions entitled: SUBMITTING CONFIDENTIAL INFORMATION. *do not mark your entire proposal as confidential, trade secret, or protected! Do not include a legend on the cover stating that your entire response is not to be released!*
* Have you properly acknowledged all amendments? Instructions regarding how to acknowledge an amendment should appear in all amendments issued.
* Make sure your proposal includes a copy of the solicitation cover page. Make sure the cover page is signed by a person that is authorized to contractually bind your business.
* Make sure your proposal includes the number of copies requested.
* Check to ensure your proposal includes everything requested!
* If you have concerns about the solicitation, do not raise those concerns in your response! After opening, it is too late! as this solicitation includes a question & answer period, raise your questions as a part of that process!

This checklist is included only as a reminder to help offerors avoid common mistakes.

Responsiveness will be evaluated against the solicitation, ***not*** against this checklist.

You do not need to return this checklist with your response.

**Attachment 3**

**Service Provider Security Assessment Questionnaire**

Instructions: (1) Attach additional pages or documents as appropriate and make sure answers cross reference to the questions below. (2) As used in this Questionnaire, the phrase “government information” shall have the meaning defined in the clause titled “Information Security.” (3) This Questionnaire must be read in conjunction with both of the following two clauses (a) Service Provider Security Assessment Questionnaire – Required, and (b) Service Provider Security Representation.

# Access Control

1. Describe your policies and procedures that ensure access to government information is limited to only those employees and contractors who require access to perform your proposed services.
2. What safeguards and practices do you have in place to vet your employees and contractors who will have access to government information?
3. Describe safeguards that are in place to prevent unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access or disclosure of government information.

# Third Party Management

1. Identify any third party which will host or have access to government information.
2. Describe and explain your security policies and procedures as they relate to your use of your contractors and next-tier sub -contractors.

# Human Resources

1. Do you conduct employee awareness training? If so, please explain.

# Audit and Compliance

1. List any reports or certifications that you have from properly accredited third-parties that demonstrate that adequate security controls and assurance requirements are in place to adequately provide for the confidentiality, integrity, and availability of the information systems used to process, store, transmit, and access all government information. (For example, an ISO/IEC 27001 compliance certificate, an AICPA SOC 2 (Type 2) report, or perhaps an AICPA SOC 3 report (i.e., a SysTrust or WebTrust seal)). For each certification, describe the scope of the assessment performed. Will these reports / certifications remain in place for the duration of the contract? Will you provide the state with most recent and future versions of the applicable compliance certificate / audit report?

# Detection and Prevention

1. What controls are in place to detect security breaches? What system and network activity do you log? How long do you maintain these audit logs?
2. Is penetration testing and/or vulnerability assessments performed annually? Is this done with an outside vendor or is it performed using internal staff? Please list the last 3 assessment dates.

# Incident Response

1. Describe your incident response policies and practices.
2. Have you had any breaches in the last 3 years, as defined by HIPAA, which involve more than 500 records? If yes, please provide details. Have you had paid any HIPAA related fines in the last three years? If yes, please describe.

# Security Requirements and General Information

1. Are there any planned system upgrades, conversions, other system changes that may affect PEBA in the next year? If yes, please describe.
2. Are there any other material items that you believe we should be aware of?

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

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

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(authorized signature)

Its: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(printed name of person signing above)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(title of person signing above)

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Attachment 4**

**Business Associate Agreement**

THIS BUSINESS ASSOCIATE AGREEMENT (“Agreement”) is entered into as of the \_\_\_ day of\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_ between **NAME OF BUSINESS ASSOCIATE, ADDRESS OF BUSINESS ASSOCIATE** (hereinafter referred to as “Business Associate”) and the **South Carolina Public Employee Benefit Authority**, 202 Arbor Lake Drive, Columbia, South Carolina 29223 (hereinafter referred to as the “Covered Entity”).

In consideration of the mutual promises and agreements set forth herein, Covered Entity and Business Associate do hereby contract and agree as follows:

1. **DEFINITIONS**

(a) “Breach” shall have the same meaning as the term “Breach” in 45 CFR § 164.402.

(b) “Business Associate” shall generally have the same meaning as the term “Business Associate” at   
45 CFR § 160.103, and in reference to the party to this agreement, shall mean **NAME OF BUSINESS ASSOCIATE**.

(c) “Compliance Date” shall have the same meaning as the term “Compliance Date” in 45 CFR § 160.103.

(d) “Covered Entity” shall generally have the same meaning as the term “Covered Entity” at   
45 CFR § 160.103, and in reference to the party to this agreement shall mean the South Carolina Public Employee Benefit Authority (PEBA).

(e) “Data Aggregation” shall have the same meaning as the term “Data Aggregation” in 45 CFR § 164.501.

(f) “Designated Record Set” shall have the same meaning as the term “Designated Record Set” in   
45 CFR § 164.501.

(g) “Electronic Protected Health Information” shall have the same meaning as “Electronic Protected Health Information” in 45 CFR §160.103.

(h) “HITECH Act” shall have the same meaning as the Health Information Technology for Economic and Clinical Health Act, as incorporated into the American Recovery and Reinvestment Act of 2009.

(i) “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

(j) “Individual” shall have the same meaning as the term “Individual” in 45 CFR §160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

(k) “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR parts 160 and 164, subparts A and E.

(l) “Protected Health Information” or “PHI” shall have the same meaning as the term “Protected Health Information” in 45 CFR § 160.103, limited to the information created or received by Business Associate from, or on behalf of, Covered Entity.

(m) “Required By Law” shall have the same meaning as the term “Required By Law” in 45 CFR § 164.103.

(n) “Secretary” shall mean the Secretary of the Department of Health and Human Services or his or her designee.

(o) “Security Incident” shall have the same meaning as “Security Incident” in 45 CFR § 164.304.

(p) “Security Rule” shall mean the Security Standards and Implementation Specifications at 45 CFR Part 160 and 164, Subpart C.

(q) “Service Agreement” shall mean the agreement between **NAME OF BUSINESS ASSOCIATE** and PEBA, whereby **NAME OF BUSINESS ASSOCIATE** performs plan administrative tasks on behalf of the benefit program described herein as Covered Entity.

(r) “Unsecured PHI” shall have the same meaning as the term “Unsecured Protected Health Information” in 45 CFR § 164.402.

**2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE**

(a) Business Associate agrees to use or disclose PHI only as permitted or required by this Agreement or as Required By Law. Business Associate is permitted to use and disclose PHI or Electronic PHI that it creates for, or receives from, Covered Entity or business associate of Covered Entity and to request PHI on behalf of Covered Entity as described in the Agreement, consistent with the HIPAA Rules. When requesting, using, or disclosing PHI, Business Associate shall restrict the request, use, or disclosure of said PHI to the minimum necessary to accomplish the intended purpose of the request, use, or disclosure.

(b) Business Associate agrees to provide access to Covered Entity, at the request of Covered Entity, to PHI in a Designated Record Set in order to meet the requirements under 45 CFR § 164.524.

(c) Business Associate agrees to make available PHI for amendment and incorporate any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526 at the request of Covered Entity, within thirty (30) days of a written request by Covered Entity.

(d) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity available to the Covered Entity or the Secretary, within thirty (30) days of a written request by the Covered Entity or the Secretary, for the purpose of permitting the Secretary to determine Covered Entity's compliance with the HIPAA Rules.

(e) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528 and to make available to Covered Entity, within thirty (30) days of a written request by Covered Entity, the information required to provide such an accounting to an individual. Business Associate will comply with mandates regarding individuals’ rights under the HITECH Act, including rights to access and accounting of disclosures. Such information shall be made available in an electronic format where directed by Covered Entity. In addition, Business Associate shall include, within its accounting, disclosures for payment and health care operations purposes where such recording or accounting is required by the HITECH Act and as of the effective date for this provision of the HITECH Act. Covered Entity shall provide any additional information to the extent required by the HITECH Act and any accompanying regulations.

(f) Business Associate shall make information available directly to an individual within thirty (30) days, when that individual so requests, if such information is required to be disclosed.

(g) Business Associate agrees to develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the privacy, confidentiality, integrity, and availability of Covered Entity’s electronic and paper PHI that Business Associate creates, receives, maintains, or transmits on Covered Entity’s behalf, as required by the HIPAA Rules and as required by the HITECH Act. Business Associate shall also develop and implement policies and procedures and meet the HIPAA Rules’ documentation requirements as required by the HITECH Act.

(h) In accordance with 45 CFR 164.502€(1)(ii) and 164.308(b)(2), if applicable, Business Associate agrees to ensure that any agent, including a subcontractor, to whom Business Associate provides PHI, agrees in writing, to abide by the same restrictions, conditions, and requirements that apply to Business Associate with respect to PHI and to implement appropriate safeguards to protect it.

(i) Business Associate agrees to notify Covered Entity within 48 hours of becoming aware of any use or disclosure of PHI not provided for by the Agreement or of any security incident resulting in the successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system, or resulting in any “Breach” of “Unsecured Protected Health Information,” as required by 45 CFR 164.410.

(j) Business Associate will provide written notice of the HIPAA Breach of Unsecured PHI, on behalf of Covered Entity, without unreasonable delay but no later than sixty (60) calendar days following the date the HIPAA Breach of Unsecured PHI is discovered or such later date as is authorized under 45 CFR § 164.412 to each individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, used, or disclosed as a result of the HIPAA Breach. For purposes of this paragraph, a HIPAA Breach shall be treated as discovered as of the first day on which the HIPAA Breach is known or should reasonably have been known to Business Associate (including any person, other than the one committing the HIPAA Breach, which is an employee, officer, or other agent of Business Associate).

The content, form, and delivery of such written notice shall comply in all respects with 45 CFR § 164.404(c)-(d).

If the HIPAA Breach of Unsecured PHI involves less than five hundred (500) individuals, Business Associate will maintain a log or other documentation of the HIPAA Breach of Unsecured PHI which contains such information as would be required to be included if the log were maintained by Covered Entity pursuant to 45 CFR § 164.408, and provide such log to Covered Entity within five (5) business days of Covered Entity’s written request.

Additionally, upon request by the Covered Entity, Business Associate shall notify the Secretary of its breach of unsecured protected health information pursuant 45 CFR § 164.408.

(k) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

(l) Business Associate agrees to maintain appropriate clearance procedures and provide supervision to ensure that its workforce follows Business Associate’s security procedures.

(m) Business Associate agrees to provide appropriate training for its staff to ensure that its staff complies with the HIPAA Rules and the requirements of the HITECH Act.

(n) Business Associate agrees to implement appropriate security incident procedures and provide training to its applicable staff sufficient to detect and analyze security incidents.

(o) Business Associate agrees to maintain a current contingency plan in case of an emergency, as required by 45 CFR § 164.308.

(p) Business Associate agrees, as appropriate, to maintain an emergency access plan to ensure that the PHI it holds on behalf of Covered Entity is available when needed, as required by 45 CFR § 164.312.

(q) Business Associate agrees to implement appropriate storage, disposal and reuse procedures to protect any PHI that Business Associate holds for Covered Entity.

(r) Business Associate agrees to provide appropriate backup of the PHI that Business Associate holds for Covered Entity, as required by 45 CFR § 164.308.

(s) Business Associate agrees to have in place appropriate authentication and access controls to safeguard the PHI that Business Associate holds for Covered Entity.

(t) Business Associate agrees to make use of encryption, as appropriate, when transmitting PHI over the Internet.

(u) Business Associate agrees to retain the documentation required by this agreement for six years from the date of its creation or the date when it last was in effect, whichever is later.

(v) Business Associate agrees not to engage in any sale (as defined in the HIPAA Rules) of PHI.

(w) With respect to PHI, Business Associate shall abide by any marketing restrictions established by Section 13406 of the HITECH Act.

(x) With respect to PHI, Business Associate shall abide by any fundraising restrictions established by Section 13406 of the HITECH Act.

3. **PERMITTED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION BY BUSINESS ASSOCIATE**

(a) Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI to perform functions, activities or services for, or on behalf of, Covered Entity, as specified in the Service Agreement, provided that such use or disclosure would not violate the HIPAA Rules if done by Covered Entity*.*

(b) Except as otherwise limited in this agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

(c) Except as otherwise limited in this agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate if the disclosures are Required By Law; or if Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the PHI will remain confidential and will be used or further disclosed only as Required By Law or only for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(d) Except as otherwise limited in this agreement, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 CFR § 164.504(e)(2)(i)(B).

(e) Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with §164.502(j)(1).

4. **OBLIGATIONS OF COVERED ENTITY**

Covered Entity shall notify Business Associate of any limitations in its notice(s) of privacy practices in accordance with 45 CFR § 164.520, to the extent that such limitations may affect Business Associate's use or disclosure of PHI.

5. **PERMISSIBLE REQUESTS BY COVERED ENTITY**

Covered Entity shall not request that Business Associate use or disclose PHI in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by Covered Entity, except Business Associate may use or disclose PHI for data aggregation or management and administrative activities of Business Associate.

6. **TERM AND TERMINATION**

(a) Term.

The Term of this Agreement and the obligations herein shall be deemed effective as of the Compliance Date or the date of execution of this Agreement, whichever date is later, and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or if it is not feasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

(b) Termination for Cause.

Upon either Party’s (the Non-Breaching Party’s) knowledge of a material breach by the other party (the Breaching Party), the Non-Breaching Party may:

(1) Provide an opportunity for the Breaching Party to cure the material breach or end the violation and terminate this Agreement if the Breaching Party does not cure the material breach or end the violation within the reasonable time specified by the Non-Breaching Party; or

(2) If neither termination nor cure is feasible, the Non-Breaching Party may report the violation to the Secretary. Failure by the Non-Breaching Party to exercise its rights to terminate under this provision shall not be construed as a waiver of its rights to terminate, rescind or revoke the services herein in case of any subsequent breach.

(c) Effect of Termination.

(1) Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate.

(2) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible, including the need to retain PHI for audit, justification of work product or compliance with other applicable law. Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

7. **MISCELLANEOUS**

(a) Definitions. All terms that are used but not otherwise defined in this Agreement shall have the meaning specified under HIPAA, including its statute, regulations, and other official government guidance.

(b) Independent Contractor. The relationship between the parties will solely be that of independent contractors engaged in the operation of their own respective businesses.

(c) Third Party Beneficiaries. The parties agree that there are no intended third party beneficiaries under this Agreement.

(d) Regulatory References. A reference in this Agreement to a section in the HIPAA Rules and/or HITECH Act means the section as in effect, or as amended, and for which compliance is required.

(e) Amendment. The parties agree to take such action as is necessary to amend this Agreement as is necessary to comply with the requirements of the HIPAA Rules and other applicable law or regulation.

(f) Survival. The respective rights and obligations of Business Associate under Section 6 (c) of this Agreement shall survive the termination of this Agreement.

(g) Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity and Business Associate to comply with the applicable requirements under HIPAA and other applicable law or regulation.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date indicated below.

**NAME OF BUSINESS ASSOCIATE SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Signature) (Signature)

NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Type or Print Name) (Type or Print Name)

TITLE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ TITLE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Attachment 5**

**Minority Participation**

Is the Offeror a South Carolina Certified Minority Business? [ ] Yes [ ] No

Is the Offeror a Minority Business certified by another governmental entity? [ ] Yes [ ] No

If so, please list the certifying governmental entity:

Will any of the work under this contract be performed by a SC certified Minority Business as a subcontractor?

[ ] Yes [ ] No

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

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

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

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

[ ] Traditional minority

[ ] Traditional minority, but female [ ] Women (Caucasian females)

[ ] Hispanic minorities

[ ] DOT referral (Traditional minority) [ ] DOT referral (Caucasian female)

[ ] Temporary certification

[ ] SBA 8 (a) certification referral

[ ] Other minorities (Native American, Asian, etc.)

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

For a list of certified minority firms, please consult the Minority Business Directory, which is available at the following URL: <http://osmba.sc.gov/index.html>